



## **BOARD OF DIRECTORS MEETING MINUTES**

### **Date and Time**

June 18, 2020, 12:30 p.m.

### **Location**

Meeting conducted electronically.

Anchor Location: UAC/UCIP Offices, 5397 S Vine St, Murray, Utah

### **Directors Participating Electronically via GoToMeeting**

Bruce Adams, *President*, San Juan County Commissioner  
William Cox, *Vice President*, Rich County Commissioner  
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor  
Alma Adams, Iron County Commissioner  
Christopher Crockett, Weber County Attorney  
Deb Alexander, Davis County Human Resources Director  
Dean Cox, Washington County Commissioner  
Scott Jenkins, Weber County Commissioner  
Jim Kaiserman, Wasatch County Surveyor  
Bob Stevenson, Davis County Commissioner  
Mark Whitney, Beaver County Commissioner  
Mike Wilkins, Uintah County Clerk/Auditor

### **Directors Unable to Participate**

Blaine Breshears, Morgan County Sheriff

### **Officers Participating Electronically**

Johnnie Miller, UCIP Chief Executive Officer  
Sonya White, UCIP Chief Financial Officer

### **Others Participating Electronically**

Alex Getts, UCIP Education & Training Specialist

### **Call to Order**

Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:30 p.m. on June 18, 2020 and welcomed those in attendance.

### **Review/Excuse Board Members Absent**

Blaine Breshears requested to be excused from this meeting. Bob Stevenson had indicated he would be late joining the meeting. Bruce Adams suggested postponing a motion to excuse Board Members absent.

### **Review/Approve April 16, 2020 Meeting Minutes**

The draft minutes of the Board of Directors meeting held April 16, 2020 were previously sent to the Board Members for review (see attachment number one). Karla Johnson made a motion to approve the April 16, 2020 Board of Directors meeting minutes as written. Alma Adams seconded the motion, which passed unanimously.

### **Review/Approve Director/Officer Conflict of Interest Statements**

William Cox presented the Conflict of Interest statements executed by each Board Member and each Officer of the Board for annual review by the Board (see attachment number two).

### **Ratification/Approval of Payments and Credit Card Transactions**

Karla Johnson reported that she reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of June 18, 2020 (see attachment number three). Karla Johnson made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Dean Cox seconded the motion, which passed unanimously.

### **Review/Approve Bylaws Coverage Addendum Amendments—Part I Property**

The proposed amendments to the Bylaws Coverage Addendum—Part I Property, including a summary of the proposed changes, were previously sent to the Board Members for review (see attachments number four and five). Bruce Adams reported that the Governance Committee met on May 8, 2020 to review the proposed amendments. Johnnie Miller explained the following proposed changes to the Part I Property:

- reformatting to make it easier to read and understand by the membership;
- endorsements appearing at the end of the document are now integrated into the body of the Addendum or to the end of the Property Part;
- many redline changes throughout the document alter references, although coverage remains the same;
- under the Limits of Coverage, based on increased limits provided by the Pool's reinsurer, the overall per occurrence limit for all members combined increases from \$500 million to \$750 million;
- changes to patient evacuation expense include a limit increase from \$1 million to \$2.5 million per occurrence, and now also includes coverage for inmates, covering the expense of transportation to and from an alternate holding location when covered physical damage to the jail necessitates evacuation;
- insect, animal and vermin damage expanded from vehicles to include coverage for mobile equipment;
- coverage for land and water contaminant or pollutant cleanup, removal and disposal is added with \$2.5 million per occurrence and \$5 million annual aggregate coverage sublimits;
- new coverage for unscheduled property created, which includes tunnels, bridges, airport runways, and dams, with sublimits being increased from \$250,000 to \$2.5 million;
- unmanned aircraft systems (drones) coverage created with limits of \$100,000 per system, and \$1 million per occurrence;
- unscheduled watercraft sublimit increased from \$1.5 million to \$2.5 million per occurrence, while removing a \$250,000 per watercraft sublimit;
- wharves, piers, docks, pilings and bulkheads sublimit increased from \$1 million per occurrence to \$2.5 million;
- property coverage territory was expanded to include Canada, as well as the United States;
- the Pool covers an owner's deductible up to \$500 for damage of a personal vehicle being used for county business, this coverage has been expanded to include mobile equipment of county employees and volunteers;
- clarifying language to the exclusion to roads is revised to roadways, highways and streets, and removed the exclusions to tunnels and bridges as they are dealt with elsewhere in the document and clarifying language was added to this exclusion to include guardrails and road signs (currently no Members have scheduled guardrails or road signs for coverage);
- an exclusion for equipment used to produce power or gas for distribution to third parties is added to the document as that exclusion is required by the reinsurer (currently no Members have this type of equipment scheduled);
- new coverage wherein if a county vehicle or mobile equipment is less than two model years old and totaled, the Pool will replace it with a new model year vehicle;
- an exclusion added for vacant properties that would exclude coverage for vandalism, sprinkler leakage, glass breakage, theft and attempted theft, and limit coverage for all other damage to 85% (based on the definitions of "vacant property" and "vacancy", this new exclusion would not affect any currently covered buildings);
- language to clarify payments will be made in compliance with Uniform Fiscal Procedures Act;
- definition of fine arts to include manuscripts and murals, as well as mounted animals or insects;
- references regarding surface water that backed up has been removed from the Flood exclusion as it was dealt with elsewhere;
- the Pool's reinsurer has extended the coverage time period in the definition of "occurrence" from 72 hours to 168 hours for flooding events, potentially saving Members and UCIP from paying multiple deductibles for the same event;
- previously included references to pollution and pollutants, which was discussed by the Governance Committee and with the reinsurer, now includes language only for pollutants;
- the evaluations section now includes clear definitions for actual cash value, replacement cost, and reproduction cost;

- equipment supplying fuel and refrigeration had been added to the list of covered equipment for equipment breakdown, as well as language that harmonized the document with other forms; and
- COVID-19 communicable disease exclusion (the Board approved at the last meeting).

In regard to the deductible coverage for personal vehicles and mobile equipment, Scott Jenkins questioned if the \$500 is only available in the event a policy, with a deductible, is in place. Johnnie Miller explained that insurance on the vehicle is required for the reimbursement. Jenkins requested that the Board consider making the \$500 available to employees and volunteers that do not have physical damage insurance on their vehicles. Dean Cox questioned whether backup generators are covered, which Johnnie Miller confirmed yes, backup generators are covered under Part I Property. Deb Alexander questioned whether the definition of fine arts includes sculptures, which Johnnie Miller confirmed yes, sculptures are covered under Part I Property. Scott Jenkins made a motion to approve the Bylaws Coverage Addendum Amendments—Part I Property as presented to be effective July 1, 2020. Deb Alexander seconded the motion, which passed unanimously.

#### **Review/Approve Limited Professional Health Care Services Amendment**

The proposed amendment to the Bylaws Coverage Addendum—Limited Professional Health Care Services, was previously sent to the Board Members for review (see attachment number six). Johnnie Miller reported that Davis County has hired a veterinarian as part of their animal services department and inquired as to whether that employee would be covered. Miller explained that a veterinarian is considered to be a medical doctor, which is excluded under the Coverage Addendum. Miller contacted the Pool's reinsurer, who recognized that the work of a veterinarian for UCIP Members differed from that of a traditional medical doctor, and therefore, did not have any concerns providing coverage. Miller recommended changes to the Limited Professional Health Care Services Amendment to provide coverage to veterinarians. Dean Cox made a motion to approve the Limited Professional Health Care Services Amendment as presented. Mike Wilkins seconded the motion. Karla Johnson questioned if a friendly amendment to the motion was necessary to clarify that veterinarians were covered only when providing services for the county. Miller clarified that coverage would not extend beyond the veterinarian's services within the scope of employment with the county. The motion passed unanimously.

#### **Review/Approve Internal Accounting Controls Policy Amendments**

The proposed amendments to the Internal Accounting Controls Policy were previously sent to the Board Members for review (see attachment number seven). Sonya White explained that proposed amendments to the Internal Accounting Controls Policy include formatting updates to conform with the other policies of the Board. White continued that additional policy statement language, as presented in Section F, outlines the practices of the Board. The majority of the proposed amendments are redlined in Section G Procedures and Responsibilities wherein the responsibilities of the Board, the Treasurer, the Audit Committee and the Clerk are listed but not extensively detailed, as written in the current policy. Two Appendices are proposed to be included—Individuals to ensure proper separation of duties and Fraud Risk Assessment. Mike Wilkins made a motion to approve the Internal Accounting Controls Policy Amendments as presented. Alma Adams seconded the motion, which passed unanimously.

#### **Review/Approve Personal Use of Public Property Policy Amendments**

The proposed amendments to the Personal Use of Public Property Policy were previously sent to the Board Members for review (see attachment number eight). Johnnie Miller explained that proposed amendments to the Personal Use of Public Property Policy include formatting updates to conform with the other policies of the Board. Miller reported that based on changes made during the 2020 Legislative session, many of the unauthorized uses of public property are now authorized, and charges for unauthorized uses have been changed from a felony to a misdemeanor. Therefore, these changes to the statute are being proposed as amendments to this Policy. Scott Jenkins made a motion to approve the Personal Use of Public Property Policy Amendments as presented. Bob Stevenson seconded the motion, which passed unanimously.

#### **Review/Approve Records Retention Policy Amendments**

The proposed amendments to the Records Retention Policy were previously sent to the Board Members for review (see attachment number nine). Sonya White reported that she has been working with the State Archives office to assure that the updates to the Policy's Appendices, *Agency Specific Records Retention Schedule* (approved by the Board June 21, 2019), had been incorporated on the Archives website. In reviewing the records retention schedule, White is recommending that the Board adopt the format used by the State Archives that includes more information and would coincide with state requirements for UCIP's agency specific schedule. Alma Adams made a motion to approve the Records Retention Policy Amendments as presented. Mike Wilkins seconded the motion, which passed unanimously.

**Review/Approve Underwriting Policy Amendments**

The proposed amendments to the Underwriting Policy were previously sent to the Board Members for review (see attachment number 10). Johnnie Miller explained that proposed amendments include the clarification of the Board's full discretion to approve or deny membership in the Pool and will include as an Appendixes a manual detailing the methods used to determine Member contributions. Karla Johnson made a motion to approve the Underwriting Policy Amendments as presented. William Cox seconded the motion, which passed unanimously.

**Review/Approve Board Officer Powers and Duties Policy**

The proposed new Board Officer Powers and Duties Policy was previously sent to the Board Members for review (see attachment number 11). Johnnie Miller explained that Pool Bylaws requires the Board to adopt the powers and duties of the officers of the Pool, specifically the President, Vice President, and Secretary/Treasurer. This new policy outlines the powers and duties of these principal offices of the Board. The policy clarifies that the Vice President of the Board reviews conflict of interest statements, while the Secretary/Treasurer is a custodian of all accounts and performs duties as outlined under the Internal Accounting Controls Policy. Dean Cox made a motion to approve the Board Officer Powers and Duties Policy as presented. Bob Stevenson seconded the motion, which passed unanimously.

**Review/Approve Business Continuity Disaster Recovery Policy**

The proposed new Business Continuity Disaster Recovery Policy was previously sent to the Board Members for review (see attachment number 12). Johnnie Miller reported that the Pool has had a Business Continuity Plan and a Disaster Recovery Plan in place for years, and it has occasionally come up for review by the Pool's independent auditors, but with the COVID-19 pandemic, it was revealed that these plans were outdated. Miller explained that he has taken pertinent parts of the current plans and compiled them into this new policy. The earthquake in the Salt Lake Valley in March and the subsequent flood at the UAC/UCIP offices allowed staff to write this policy to be prepared for future issues. Staff is now set up with the ability to work from home (remotely), and appropriate data backup systems have been established. Mike Wilkins made a motion to approve the Business Continuity Disaster Recovery Policy as presented. Alma Adams seconded the motion, which passed unanimously.

**Review/Approve County Related Entities Membership**

Mike Wilkins made a motion to strike agenda item: *Review/Approve County Related Entities Membership*. Dean Cox seconded the motion, which passed unanimously.

**Review/Approve Actuarial Equity Analysis by Member**

Johnnie Miller presented the Actuarial Equity Analysis by Member to the Board (see attachment number 13). The Pool's actuary has calculated equity as prescribed in the Interlocal Agreement. Based on the Pool's net assets of \$8.8 million for the year ending December 2019, total Member equity has been calculated at 137.5% of current contributions. Miller explained that most members are now above the 100% equity to contribution target, with the exceptions of Morgan and Weber Counties, both of whom joined the Pool several years after its inception. Miller requested approval of the Equity Analysis so that equity members may be notified of their equity balances. Mike Wilkins made a motion to approve the Actuarial Equity Analysis by Member as presented. Karla Johnson seconded the motion, which passed unanimously.

**Review/Approve URS Contribution Rates July 1, 2020 – July 1, 2021**

Sonya White provided the Board with the Utah Retirement Systems (URS) rates for the term July 1, 2020 through July 1, 2021 (see attachment number 14). Based on the discretionary benefits provided to UCIP staff, the Pool participates in the public employees noncontributory retirement systems for local government. White reported that Tier 1 and Tier 2 DC rates did not increase from the previous year. Tier 2 DB rates did increase from 15.66% to 15.8% of wages from the previous year with the employer contribution to 401k decreasing from 1.03% to 0.89%. Mike Wilkins made a motion to approve the URS contribution rates for UCIP employees as presented. Scott Jenkins seconded the motion, which passed unanimously.

**Review/Approve Preliminary Budget 2021**

Sonya White reviewed the 2021 Preliminary Budget with the Board (see attachment number 15). A preliminary budget is needed for the actuary to conduct the rate analysis during UCIP's underwriting process. White explained that the Pool's appraisers have provided staff with an estimated 2.5% cost index increase for member property exposures. The proposed preliminary budget does not include any change to the \$250,000 SIR rates or liability exposures, as those would be provided as part of the actuary's Rate Analysis.

Indications by the Pool's reinsurance providers attribute to the \$100,000 increase in reinsurance costs. White reported that no increases in administration expenses were made to the preliminary 2021 budget. Mark Whitney asked if the preliminary budget included any increase for employee wage adjustments such as COLA. White explained that the preliminary budget did not include any change in the salaries or benefits from the 2020 approved budget. White reported that once member exposure information is obtained and the rate analysis is received, the tentative 2021 budget will be presented to the Board at its October meeting. Bob Stevenson made a motion to approve the Preliminary Budget for 2021 as presented. Scott Jenkins seconded the motion, which passed unanimously.

#### **Set Date and Time for Closed Meeting**

Alma Adams made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Scott Jenkins seconded the motion, which passed unanimously.

#### **Action on Personnel Matters**

Alma Adams made a motion to strike agenda item: *Action on Personnel Matters*. Scott Jenkins seconded the motion, which passed unanimously.

#### **Set Date and Time for Closed Meeting**

Christopher Crockett made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation*. William Cox seconded the motion, which passed unanimously.

#### **Action on Litigation Matters**

Christopher Crockett made a motion to strike agenda item: *Action on Litigation Matters*. William Cox seconded the motion, which passed unanimously.

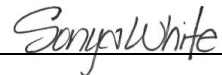
#### **Chief Executive Officer's Report**

Johnnie Miller reported that staff was working day-to-day with the Pool's reinsurer on changes that may be included in the renewal of property reinsurance at 07/01/2020 and liability reinsurance at 01/01/2021. Miller reported capital in the insurance and reinsurance marketplace have been restricted for the first time in over 10 years, and many in the insurance industry are finding themselves facing unanticipated COVID-19 related lawsuits. Miller reported that he is working with other county pools through CRL, who are experiencing limited issues at this time, and that the Property Plus program has assisted CRL throughout the current reinsurance renewal. The estimated \$100,000 increase in reinsurance costs is much lower than many other county pools across the country are experiencing. Miller reminded the Board that at the last meeting they approved as a loss control measure hiring counsel to assist county attorneys in answering a Writ filed with the Utah Supreme Court demanding inmates be released from all county jails in response to the COVID-19 pandemic and that, as a result of Pool's coordination with the county attorneys and sheriff's departments, a response was filed with the court, which led to some very positive press on the actions county jails had taken to protect inmates from the virus. In response to the counties filing with the court, the groups filing the Writ quickly asked the court to allow them to withdraw their filing to avoid penalties for filing a nuisance claim without reasonable foundation, which the counties objected to and asked the court to rule on the Writ. The Writ was dismissed by the courts, and the counties will now ask the court to require the groups to reimburse them the cost of responding to the Writ. Miller reported staff had been able to work in the office throughout the COVID-19 pandemic, and that he has started receiving calls for him to travel to counties and conduct training.

#### **Other Business**

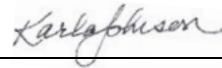
The next meeting of the Board of Directors will be held Thursday, August 20, 2020 at 12:30 p.m. at the UAC/UCIP offices, 5397 South Vine St, Murray, UT. Bruce Adams adjourned the Utah Counties Indemnity Pool Board of Directors Meeting at 2:15 p.m. on June 18, 2020.

Prepared by:



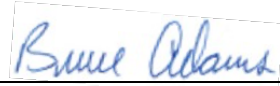
Sonya White, UCIP Chief Financial Officer

Submitted on this 18 day of June 2020



Karla Johnson, Secretary/Treasurer

Approved on this 18 day of June 2020



Bruce Adams, President

# Entity: Utah Counties Indemnity Pool

## Body: Board of Directors

<b>Subject:</b>	Administrative Services
<b>Notice Title:</b>	Board of Directors Meeting
<b>Meeting Location:</b>	5397 S Vine Street Murray 84107
<b>Event Date &amp; Time:</b>	June 18, 2020 June 18, 2020 12:30 PM - June 18, 2020 03:30 PM
<b>Description/Agenda:</b>	<p>Review/Excuse Board Members</p> <p>Absent</p> <p>Review/Approve April 16, 2020 Meeting Minutes</p> <p>Review/Approve Director/Officer Conflict of Interest Statements</p> <p>Ratification/Approval of Payments and Credit Card Transactions</p> <p>Review/Approve Bylaws Coverage Addendum Amendments- Part I Property</p> <p>Review/Approve Limited Professional Health Care Services Amendment</p> <p>Review/Approve Internal Accounting Controls Policy Amendments</p> <p>Review/Approve Personal Use of Public Property Policy Amendments</p> <p>Review/Approve Records Retention Policy Amendments</p> <p>Review/Approve Underwriting Policy Amendments</p> <p>Review/Approve Board Officer Powers and Duties Policy</p> <p>Review/Approve Business Continuity Disaster Recovery Policy</p> <p>Review/Approve County Related Entities Membership</p> <p>Review/Approve Actuarial Equity Analysis by Member</p> <p>Review/Approve URS Contribution Rates July 1, 2020 - July 1, 2021</p> <p>Review/Approve Preliminary Budget 2021</p> <p>Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual</p> <p>Action on Personnel Matters</p>

Set Date and Time for Closed Meeting to Discuss  
Pending or Reasonably Imminent Litigation  
Action on Litigation Matters  
Chief Executive Officer's Report  
Other Business

<b>Notice of Special Accommodations:</b>	In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, 5397 S Vine St, Murray, UT 84107-6757, or call 801-565-8500, at least three days prior to the meeting.
<b>Notice of Electronic or telephone participation:</b>	Any Member of the Utah Counties Indemnity Pool Board of Directors may participate electronically or telephonically.
<b>Other information:</b>	Salt Lake County is in Moderate-Risk (Orange) Phase of the corona virus pandemic response. Although this allows for group of 20 or less, meeting would require six-foot spacing between members and face coverings. As such, the Board will meet electronically for this meeting.
<b>Contact Information:</b>	Sonya White (801)307-2113 sonya@ucip.utah.gov
<b>Posted on:</b>	June 17, 2020 08:57 AM
<b>Last edited on:</b>	June 17, 2020 08:57 AM

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# AGENDA

## Utah Counties Indemnity Pool Board of Directors Electronic Meeting

Thursday, June 18, 2020, 12:30 p.m.

12:30 Open Meeting

Bruce Adams

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ITEM	ACTION	
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- |     |   |                            |
|-----|---|----------------------------|
| 1.  | Review/Excuse Board Members Absent  | Bruce Adams                |
| 2.  | Review/Approve April 16, 2020 Meeting Minutes   | Karla Johnson              |
| 3.  | Review/Approve Director/Officer Conflict of Interest Statements   | William Cox                |
| 4.  | Ratification/Approval of Payments and Credit Card Transactions  | Karla Johnson              |
| 5.  | Review/Approve Bylaws Coverage Addendum Amendments—Part I Property  | Bruce Adams/Johnnie Miller |
| 6.  | Review/Approve Limited Professional Health Care Services Amendment  | Johnnie Miller             |
| 7.  | Review/Approve Internal Accounting Controls Policy Amendments   | Sonya White                |
| 8.  | Review/Approve Personal Use of Public Property Policy Amendments  | Johnnie Miller             |
| 9.  | Review/Approve Records Retention Policy Amendments  | Sonya White                |
| 10. | Review/Approve Underwriting Policy Amendments   | Johnnie Miller             |
| 11. | Review/Approve Board Officer Powers and Duties Policy   | Johnnie Miller             |
| 12. | Review/Approve Business Continuity Disaster Recovery Policy   | Johnnie Miller             |
| 13. | Review/Approve County Related Entities Membership   | Mike Wilkins               |
| 14. | Review/Approve Actuarial Equity Analysis by Member  | Johnnie Miller             |
| 15. | Review/Approve URS Contribution Rates July 1, 2020 – July 1, 2021   | Sonya White                |
| 16. | Review/Approve Preliminary Budget 2021  | Johnnie Miller/Sonya White |
| 17. | Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual | Bruce Adams                |
| 18. | Action on Personnel Matters   | Deb Alexander              |
| 19. | Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation                                   | Bruce Adams                |
| 20. | Action on Litigation Matters  | Christopher Crockett       |

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### INFORMATION

- |     |                                  |                |
|-----|----------------------------------|----------------|
| 21. | Chief Executive Officer's Report | Johnnie Miller |
| 22. | Other Business                   | Bruce Adams    |

Electronic Meeting Notice:  
<https://global.gotomeeting.com/join/273032149>  
By phone: 669-224-3412, Access Code: 273-032-149  
Anchor Location: 5397 S Vine St, Murray, UT

**BOARD OF DIRECTORS  
MEETING MINUTES**

**Date and Time**

April 16, 2020, 12:30 p.m.

**Location**

Meeting conducted electronically due to the social distancing restrictions in place for the COVID-19 virus.  
Anchor Location: UAC/UCIP Offices, 5397 S Vine St, Murray, Utah

**Directors Participating Electronically via GoToMeeting**

Bruce Adams, *President*, San Juan County Commissioner  
William Cox, *Vice President*, Rich County Commissioner  
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor  
Alma Adams, Iron County Commissioner  
Deb Alexander, Davis County Human Resources Director  
Blaine Breshears, Morgan County Sheriff  
Dean Cox, Washington County Commissioner  
Christopher Crockett, Weber County Attorney  
Scott Jenkins, Weber County Commissioner  
Jim Kaiserman, Wasatch County Surveyor  
Bob Stevenson, Davis County Commissioner  
Mark Whitney, Beaver County Commissioner  
Mike Wilkins, Uintah County Clerk/Auditor

**Directors Absent**

All Board Members participated electronically.

**Officers Participating Electronically**

Johnnie Miller, UCIP Chief Executive Officer  
Sonya White, UCIP Chief Financial Officer

**Others Participating Electronically**

Alex Getts, UCIP Education & Training Specialist  
Mary Jean King, By the Numbers Actuarial Consulting Principal and Accounting Actuary

**Call to Order**

Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:30 p.m. on April 16, 2020 and welcomed those participating.

**Review/Excuse Board Members Absent**

Jim Kaiserman made a motion to excuse Alma Adams and Mark Whitney from this meeting. Dean Cox seconded the motion, which passed unanimously. Adams and Whitney joined the meeting shortly after being excused.

**Review/Approve February 20, 2020 Meeting Minutes**

The draft minutes of the Board of Directors meeting held February 20, 2020 were previously sent to the Board Members for review (see attachment number one). Karla Johnson made a motion to approve the February 20, 2020 Board of Directors meeting minutes as presented. Bob Stevenson seconded the motion, which passed unanimously.

**Ratification/Approval of Payments and Credit Card Transactions**

Karla Johnson made a motion to table agenda item: *Ratification/Approval of Payments and Credit Card Transactions* until the next meeting. Jim Kaiserman seconded the motion, which passed unanimously.

### **Ratification of US Bank Card Limit**

Karla Johnson explained that the day traveling to the AGRIP Governance Conference, Johnnie Miller's US Bank card was compromised. Johnson reported that Sonya White was able to increase the limit on the US Bank card issued in her name to \$15,000 in order to cover charges for lodging and other expenses at the Conference (see attachment number two). Johnson recommended to ratify the. Karla Johnson made a motion to ratify the limit increase of the US Bank Card and authorize the limit remain in place in the event of a similar situation in the future. Mike Wilkins seconded the motion, which passed unanimously.

### **Review/Approve 2019 Actuarial Reserve Analysis**

Mary Jean King, Principal and Accounting Actuary, By the Numbers Actuarial Consulting, presented the draft 2019 Actuarial Reserve Analysis (see attachment number three). King reported that as of December 31, 2019 estimated required reserves at the expected level are \$8,840,000. King explained the process utilized to come to the estimated reserve amount for the Board. Changes to ultimate losses for prior years decreased \$1.3 million. Estimated ultimate losses for the current year (2019) totaled \$800,000 resulting in a total reduction of \$410,000 in ultimate losses from the prior year end. Alma Adams made a motion to approve the 2019 Actuarial Reserve Analysis as presented. Mike Wilkins seconded the motion, which passed unanimously.

### **Review/Approve 2019 Financial Audit**

Karla Johnson explained that pursuant to the Audit Committee meeting with the independent auditors of Larson and Company, the draft 2019 audit of financial statements (see attachment number four) are presented to the Board for review. Johnson reported that the auditor opined that the financial statements present fairly, in all material respects, the financial position of the Pool. The Statement of Net Position (page 10) presents current assets of \$19,328,838 that includes a total of \$18,249,460 in cash, short term investments, long term investments, capital contributions (CRL equity including a \$647,196 increase from the prior year) and owned property and equipment. Liabilities present reserves at \$8,940,196, the expected reserves presented by the actuary and the unallocated loss adjustment expense. The total Net Position of the Pool is \$8,817,931, a change of \$2,846,732 from the prior year. Johnnie Miller explained that the Pool's net contribution to net assets is at a level to be monitored based on the Net Asset Management Policy. Miller will present leverage ratios to the Board at their next meeting. Johnson reviewed the Statement of Revenues, Expenses and Changes in Net Position (page 11) with the Board. Total operating income totaled \$7,198,273, an increase of \$629,658 from the prior year and 103% of budgeted. Underwriting expenses, which includes paid losses, decreased \$560,893 from the prior year (73% of budgeted). Administration expenses increased \$59,527 from the prior year but was at 95% of budgeted. A new note to financials states the uncertain impact COVID-19 may have on the Pool. Johnson reported an internal control finding in the claim system records. Management has implemented additional procedures to reduce or eliminate errors in the recording of payments in the claims system. Mike Wilkins made a motion to approve the reimbursement of mileage for the secretary/treasurer of the Board to review invoices on a monthly basis. Scott Jenkins seconded the motion. Dean Cox amended the motion to approve a member traveling on a monthly basis, with the reimbursement already being covered under the current Reimbursement Policy. Scott Jenkins seconded the amended motion, which passed unanimously. Mike Wilkins made a motion to approve the 2019 Financial Audit as presented. William Cox seconded the motion, which passed unanimously.

### **Review/Approve Claim Deterioration Fund Amount**

Johnnie Miller reported that in conjunction with the actuary's reserve analysis the Board has traditionally reviewed the amount allocated to the Claims Deterioration Fund based on the actuarial estimations. Miller explained that if the Board would like to increase the confidence level, higher than what is expected to be booked on the financial statements, they would need to determine a number higher than the \$8,840,000 (55% confidence level). Currently the Board has reserved \$430,000 in the Claim Deterioration Fund. Mary Jean King noted that the COVID-19 pandemic affects were not considered in the actuarial estimates. Miller reported that hundreds of claims regarding COVID-19 related losses were being filed daily throughout the insurance industry, noting the Pool should expect to see claims filed against counties and member health departments. Miller stated that he is confident any such claims would be dismissed in court based on emergency immunities but would cost approximately \$25,000 each to defend. Dean Cox made a motion to increase the amount reserved in the Claims Deterioration Fund to \$660,000. Scott Jenkins seconded the motion, which passed unanimously. Miller explained that the additional amount to the Fund will bring the Board's confidence level to approximately 85% or reserves at \$9,500,000.

**Review/Approve First Quarter 2020 Financial Statements**

Sonya White reviewed the first quarter 2020 unaudited financial statements with the Board (see attachment number five). White provided a comparison on the Balance Sheet (Statement of Net Position) showing first quarter ending 2020, year ending 2019 and first quarter ending 2019. Current Assets totaled \$17,899,302 at quarter end compared to \$14,642,536 at year end. Long Term Investments totaled \$1,592,647 compared to \$553,520 at year end due to Zions Wealth Advisors reinvestment from cash to investments. Capital Contributions consist of County Reinsurance Equity (membership \$2,883,889 and property plus program \$513,240) totaling \$3,397,129. Current Liabilities include the expected level, pursuant to the actuarial reserve analysis, for incurred but not reported losses of \$4,882,244, losses of \$3,963,452 and unallocated loss and loss adjustment expenses of \$94,500 for a total of reserves for losses and loss adjustment expenses of \$8,940,196. Unearned contributions total \$5,187,857 at first quarter ending. Assets/Liabilities total \$23,624,126 with a Net Position of \$9,022,806. White reviewed the Income Statement (Statements of Revenues, Expenses and Changes in Net Position with the Board. At the year 25% complete, the first quarter 2020 is trending at operating income at 25%, underwriting expenses at 24% and administration expenses at 24%. The fair value of investments decreased \$30,941. The total change in net position from year end 2019 for the first quarter ending 2020 is \$204,875. The Statement of Cash Flows provide the Board with the cash affects during the reported period. White reported all statements at quarter end are in balance. Mike Wilkins made a motion to approve the first quarter 2020 financial statements as presented. Deb Alexander seconded the motion, which passed unanimously.

**Review/Approve Bylaws Coverage Addendum**

Johnnie Miller presented on updates to the Bylaws Coverage Addendum, which added a clarifying Communicable Disease Exclusion Amendment (see attachment number six). Miller reported that the property insurance industry is concerned about the impact of COVID-19, noting that the most common claims to date are business interruption claims by businesses that have ceased operations. Miller reported that business interruption claims are covered, but only when there is damage to a business's building which causes the reduction or cessation of business. Miller reported that this required County Reinsurance, Limited (CRL) to make clarifications to their policies in response to the COVID-19 pandemic, specifying that covered physical loss or physical damage to property must be the cause of any suspension of operations to trigger the Business Interruption coverages. Miller reported that this endorsement was required to be included in CRL's members coverage agreements by July 1, 2020 or the Pool would have no reinsurance coverage for claims of this nature. Scott Jenkins asked if there were any requirements to notify the members of this change prior to it going into effect. Miller indicated that while there is no requirement to notify the members prior to making the change, the Board could make the change effective a few weeks out to allow staff to notify members of the change. Miller reiterated that the endorsement only clarifies an exclusion already in place and does not exclude coverage the members have now. Mike Wilkins made a motion to approve the Bylaws Coverage Addendum as presented effective May 31, 2020. Jim Kaiserman seconded the motion, which passed unanimously.

**Review/Approve County Related Entities Membership**

Mike Wilkins made a motion to strike agenda item: *Review/Approve County Related Entities Membership*. Dean Cox seconded the motion, which passed unanimously.

**Set Date and Time for Closed Meeting**

Deb Alexander made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Dean Cox seconded the motion, which passed unanimously.

**Action on Personnel Matters**

Deb Alexander made a motion to strike agenda item: *Action on Personnel Matters*. Dean Cox seconded the motion, which passed unanimously.

**Set Date and Time for Closed Meeting**

Christopher Crockett made a motion to Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation on Thursday, April 16, 2020 at 1:55 p.m. Jim Kaiserman seconded the motion, which passed unanimously. Board Members participating in the closed meeting were: Bruce Adams, William Cox, Karla Johnson, Alma Adams, Deb Alexander, Blaine Breshears, Christopher Crockett, Dean Cox, Scott Jenkins, Jim Kaiserman, Bob Stevenson, Mark Whitney and Mike Wilkins. Also present were: Johnnie Miller, Sonya White, and Alex Getts.

The regular meeting resumed on Thursday, April 16, 2020, at 2:00 p.m.

### **Action on Litigation Matters**

Christopher Crockett made a motion to hire Frank Mylar to assist member county attorneys in responding to the ACLU writ with the Utah Supreme Court. Alma Adams seconded the motion, which passed unanimously.

### **2019 WC Insurance Dividends**

Sonya White presented a summary to the Board regarding the WCF Insurance dividend amount issued to the membership, noting each Member county received 10% of their premium paid (see attachment number seven).

### **2019 URS Compliance Report**

Sonya White presented on the 2019 Utah Retirement Systems (URS) Compliance Report (see attachment number eight). White reported that URS found no areas of noncompliance.

### **Training and Workshop Plan**

Johnnie Miller requested the Board's input on the Pool's training and workshop options in response to the COVID-19 pandemic. Miller noted that all trainings have been postponed until further notice but questioned whether county personnel would have the ability to attend workshops for the remainder of the year. Alma Adams asked if webinars were a viable alternative, with Miller confirming that was a possibility. Bruce Adams noted that San Juan County has asked all employees to abstain from nonessential travel due to budgetary constraints and surmised other counties would follow suit. Dean Cox recommended canceling all trainings for 2020, with the intention of bringing them back in 2021. Deb Alexander favored Cox's suggestion, adding that many personnel will find their time constrained. Miller thanked the Board for their direction and indicated trainings would at the very least be significantly reduced for the remainder of 2020, with staff putting a strong emphasis on online training and the possibility of conducting an online Risk Management Workshop later in the year.

### **Board Strategic Planning**

Sonya White presented on the plan for the Board Strategic Planning meeting to be held in June. White reported that in light of the COVID-19 pandemic, nothing had been cancelled but wanted to get the Board's direction on whether to hold the meetings, noting that the Board Meeting would still need to be conducted. Bruce Adams spoke in favor of cancelling the Strategic Planning session, noting that all employees of San Juan County have been directed to discontinue any out-of-county meetings. Dean Cox and Mark Whitney both indicated inability to attend as planned due to health concerns. Alma Adams asked if it were possible to postpone the Strategic Planning session until the fall. Jim Kaiserman seconded the proposition to postpone the planning sessions until the fall, if circumstances permitted. Johnnie Miller reiterated that the Board would still need to meet in June and that, if possible, it would be good to reschedule the Strategic Planning sessions. Alma Adams made a motion to cancel the June Strategic Planning Sessions, with the intention to hold them later in the year if possible. Jim Kaiserman seconded the motion, which passed unanimously.

### **Chief Executive Officer's Report**

Johnnie Miller reported that County Reinsurance Limited's (CRL) Lloyd's of London trip to England in March had been cancelled due to the COVID-19 pandemic. Miller had been scheduled to attend that trip but is in rotation to attend the rescheduled meetings in 2021. Miller reported that CRL's total equity stands at \$31,307,000 which has benefitted the CRL membership and particularly members of the CRL Property Plus program, including UCIP. CRL's structuring of investments resulted in a limited investment loss resulting from the COVID-19 pandemic. Miller explained that CRL would be opening up an opportunity for members to contribute additional capital into the Property Plus Program for the 2020-2021 property reinsurance policy year. Members intending to increase their contributions must notify CRL of their intent by June 1. Miller informed the Board that he is hesitant to recommend that the Board contribute more at this time due to current conditions with the COVID-19 pandemic.

Miller reported that the potential for liability claims remained a concern due to the COVID-19 pandemic. Miller reported working with Utah Association of Counties (UAC) staff on HB 2007 which would create a presumption that first responders who contract COVID-19 did so in the course of work-related duties, noting "first responders" falls under the broad federal definition. Miller indicated that this bill has the potential of significantly increasing workers compensation costs for counties over the next four to five years, but it would protect the counties from civil lawsuits from first responders contracting the virus.

Miller informed the Board that staff had updated the Pool's Business Continuity Policy, which has proven useful with COVID-19 and recent events at the UAC/UCIP building. Amendments to the Policy will be reviewed by the Board at their next meeting.

Miller informed the Board that in response to the March 18 earthquake on the Wasatch Front, only five related claims had been received, all from Weber County library buildings.

**Other Business**

The next meeting of the Board of Directors will be held Thursday, June 18, 2020 at 12:30 p.m. at the UAC/UCIP offices, 5397 South Vine St, Murray, UT.

Bruce Adams dismissed the Utah Counties Indemnity Pool Board of Directors Meeting at 2:42 p.m. on April 16, 2020.

Prepared by:

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Sonya White, UCIP Chief Financial Officer

Submitted on this \_\_\_\_\_ day of \_\_\_\_\_ 2020

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Karla Johnson, Secretary/Treasurer

Approved on this \_\_\_\_\_ day of \_\_\_\_\_ 2020

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Bruce Adams, President

# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Alma Adams**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

- ☒ I comply with the Conflict of Interest Article without exception.
- ☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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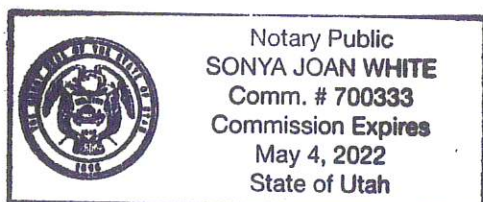
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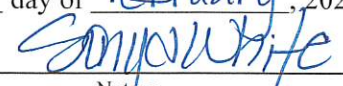
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\_\_\_\_\_  
Signature

2-20-2020  
Date

Subscribed and sworn to before me this 20 day of February, 2020



  
\_\_\_\_\_  
Notary  
My Commission Expires: 5/4/22  
Residing at: SLCO



# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Bruce Adams**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:



I comply with the Conflict of Interest Article without exception.



I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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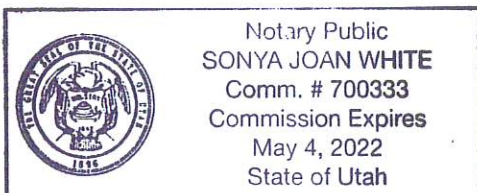
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Bruce Adams  
Signature

2-20-20  
Date

Subscribed and sworn to before me this 20 day of February, 2020



Sonya White  
Notary  
My Commission Expires: 5/4/22  
Residing at: SLCO



# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Deb Alexander**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

- ☒ I comply with the Conflict of Interest Article without exception.
- ☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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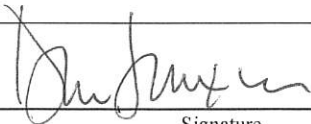
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The precise nature and value of any change of interest since the last disclosure, if any:

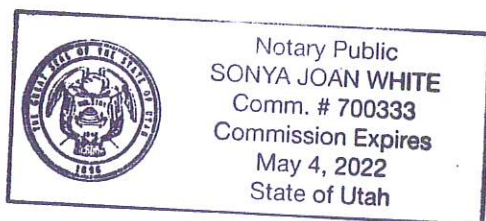
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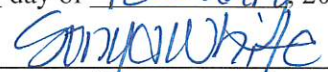
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Signature

2-20-20  
Date

Subscribed and sworn to before me this 20 day of February 2020



  
Notary  
My Commission Expires: 5/4/22  
Residing at: SLCO

# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Blaine Breshears**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

☒ I comply with the Conflict of Interest Article without exception.

☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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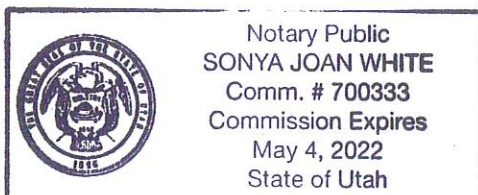
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Blaine Breshears  
Signature

2-20-2020  
Date

Subscribed and sworn to before me this 20 day of February, 2020



Sonya White  
Notary  
My Commission Expires: 5/4/22  
Residing at: SLC

# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Dean Cox**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

- ☒ I comply with the Conflict of Interest Article without exception.
- ☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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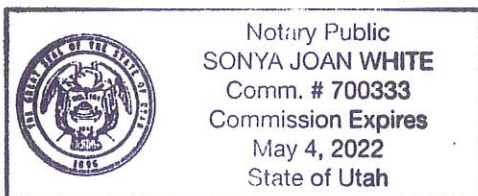
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Dean Cox  
Signature

2-20-2020  
Date

Subscribed and sworn to before me this 20 day of February, 2020



Sonya White  
Notary  
My Commission Expires: 5/4/22  
Residing at: SL CO

# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **William Cox**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:



I comply with the Conflict of Interest Article without exception.



I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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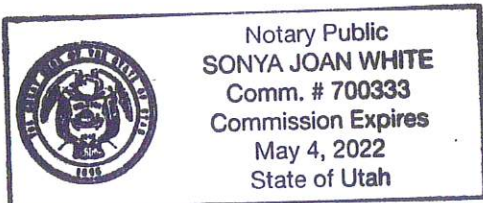
  
Signature

2-20-20  
Date

Subscribed and sworn to before me this 20 day of February, 2020

Sonya White  
Notary

My Commission Expires: 5/4/22  
Residing at: SLCO





# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Christopher Crockett**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

☒ I comply with the Conflict of Interest Article without exception.

☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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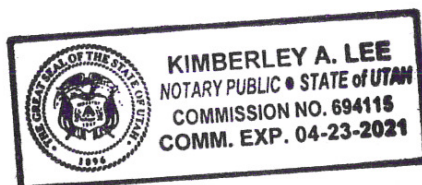
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Ch. H. Crockett  
Signature

11/26/19  
Date

Subscribed and sworn to before me this 26 day of Nov, 2019

Kimberley A. Lee  
Notary



My Commission Expires: \_\_\_\_\_  
Residing at: \_\_\_\_\_

# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Scott Jenkins**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

- ☒ I comply with the Conflict of Interest Article without exception.
- ☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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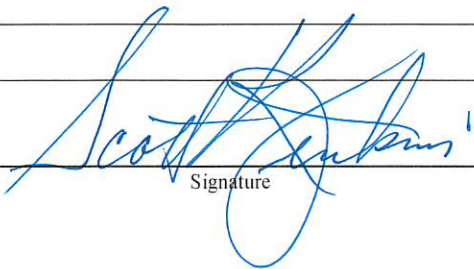
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The precise nature and value of any change of interest since the last disclosure, if any:

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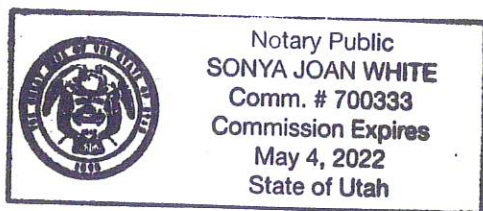
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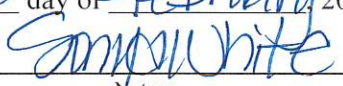
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Signature

\_\_\_\_\_  
Date

Subscribed and sworn to before me this 20 day of February, 2020



  
\_\_\_\_\_  
Notary  
My Commission Expires: 5/4/22  
Residing at: SLCO

# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Karla Johnson**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:



I comply with the Conflict of Interest Article without exception.



I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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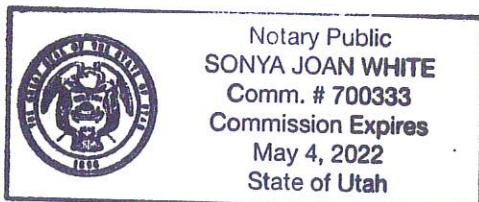
Karla Johnson  
Signature

2/20/20  
Date

Subscribed and sworn to before me this 20 day of February, 2020

Sonya White  
Notary

My Commission Expires: 5/4/22  
Residing at: SLC



# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE



This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Jim Kaiserman**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

☒ I comply with the Conflict of Interest Article without exception.

☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The precise nature and value of any change of interest since the last disclosure, if any:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Jim Kaiserman  
Signature

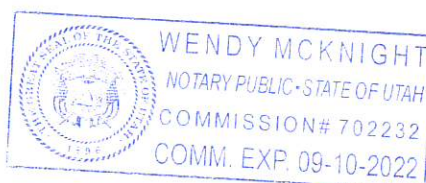
02-20-2020  
Date

Subscribed and sworn to before me this 20 day of February, 2020

Wendy McKnight  
Notary

My Commission Expires: 09-10-2022

Residing at: Wasatch





# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Bob Stevenson**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:



I comply with the Conflict of Interest Article without exception.



I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

BJS Quality Homes

\_\_\_\_\_

\_\_\_\_\_

Your title with the business or interest: Owner

A brief, but complete, description of the incident, activity or event requiring disclosure:

I own a small Residential Construction Company

\_\_\_\_\_

\_\_\_\_\_

The precise nature and value of any change of interest since the last disclosure, if any:

None

\_\_\_\_\_

\_\_\_\_\_

[Signature]

Signature

2/21/2020

Date

Subscribed and sworn to before me this 21st day of Feb, 2020

J. Hanson

Notary

My Commission Expires: 9/5/2020

Residing at: Farmington, UT

# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Mark Whitney**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

☒ I comply with the Conflict of Interest Article without exception.

☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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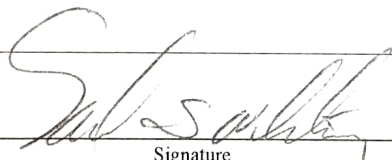
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The precise nature and value of any change of interest since the last disclosure, if any:

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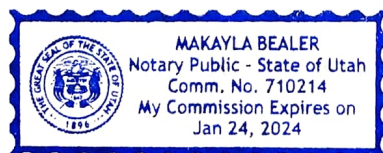
  
Signature

6/9/20  
Date

Subscribed and sworn to before me this 9th day of June, 2020

  
Notary

My Commission Expires: Jan 24, 2024  
Residing at: 265. Bowi Millard



# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Mike Wilkins**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

- ☒ I comply with the Conflict of Interest Article without exception.
- ☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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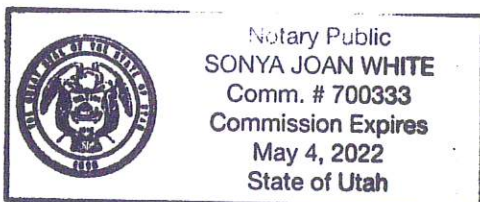
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Mike Wilkins  
Signature

Feb 20, 2020  
Date

Subscribed and sworn to before me this 20 day of February 2020



Sonya White  
Notary  
My Commission Expires: 5/4/22  
Residing at: SLCO

# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Johnnie Miller**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:



I comply with the Conflict of Interest Article without exception.



I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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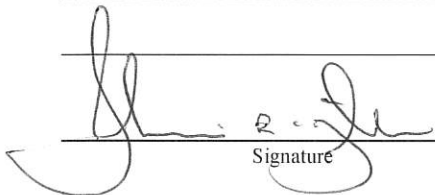
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The precise nature and value of any change of interest since the last disclosure, if any:

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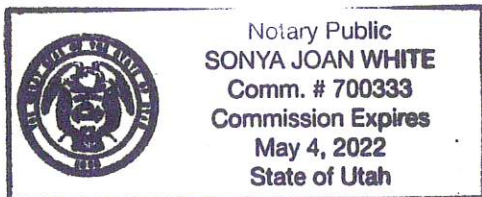
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Signature

2-20-20  
Date

Subscribed and sworn to before me this 20 day of February, 2020



Sonya White  
Notary  
My Commission Expires: 5/4/22  
Residing at: SLCO



# UTAH COUNTIES INDEMNITY POOL

## CONFLICT of INTEREST and DISCLOSURE

This Disclosure is provided pursuant to the Utah Counties Indemnity Pool Bylaws, Article 14 *Conflict of Interest and Disclosure*.

I, **Sonya White**, hereby affirm that I have received and reviewed a copy of Article 14 of the Utah Counties Indemnity Pool Bylaws and declare the following:

- ☒ I comply with the Conflict of Interest Article without exception.
- ☐ I comply with the Conflict of Interest Article with the following exceptions:

Name, address and nature of business(es) or interest(s) involved:

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Your title with the business or interest: \_\_\_\_\_

A brief, but complete, description of the incident, activity or event requiring disclosure:

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The precise nature and value of any change of interest since the last disclosure, if any:

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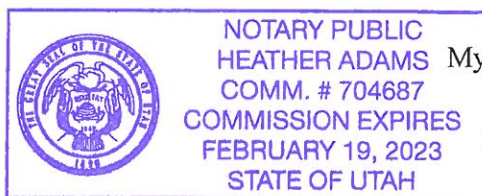
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Sonya White  
Signature

6/12/2020  
Date

Subscribed and sworn to before me this 12 day of JUNE, 2020



My Commission Expires \_\_\_\_\_

Residing at: 322 E 12300S.

Draper UT - 84042

**UTAH COUNTIES INDEMNITY POOL**  
**Payments and Credit Card Transactions**  
February 21 - June 18, 2020

Date	Transaction Type	Name	Memo/Description	Amount
<b>500-000000-10010100 ZionsMLC</b>				
02/21/2020	Check	Duchesne County	Claim: DUC0000332020	-1,555.20
02/21/2020	Check	Iron County	Claim: IRO0000292020	-239.15
02/25/2020	Check	Chrysler Capital	Account: 22602603 (Jimenez)	-20,836.11
02/25/2020	Check	Enterprise Rent-A-Car Company of UT, LLC	Invoice: IAG4709	-458.10
02/25/2020	Check	Durham Jones & Pinegar	Invoice: 705052	-678.00
02/25/2020	Check	Durham Jones & Pinegar	Invoice: 705053	-8,142.50
02/25/2020	Check	Durham Jones & Pinegar	Invoice: 705049	-6,324.50
02/25/2020	Check	Durham Jones & Pinegar	Invoice: 705048	-6,097.92
02/25/2020	Check	Durham Jones & Pinegar	Invoice: 705047	-180.00
02/25/2020	Check	Durham Jones & Pinegar	Invoice: 705054	-57.50
02/25/2020	Check	Durham Jones & Pinegar	Invoice: 705055	-4,917.92
02/25/2020	Check	Durham Jones & Pinegar	Invoice: 705056	-12,893.06
02/25/2020	Check	Mylar Law, PC	Invoice: 00407	-927.50
02/28/2020	Check	Mylar Law, PC	Invoice: 00413	-2,490.00
02/28/2020	Check	Davis County	Claim: DAV0000672020	-10,980.00
02/28/2020	Check	Sevier County	Claim: SEV0000312020	-297.00
03/09/2020	Check	Weber County	Claim: WEB0005662020	-10,674.68
03/09/2020	Check	Jodi Fulks	Claim: DAV0000692020	-1,009.78
03/09/2020	Check	Robert Overson	Claim: IRO0000302020	-8,841.15
03/09/2020	Check	Matthew Pace	Claim: BOX0000172020	-2,208.13
03/10/2020	Check	Durham Jones & Pinegar	Invoice: 710720	-2,196.33
03/10/2020	Check	Durham Jones & Pinegar	Invoice: 710719	-43,086.98
03/10/2020	Check	Durham Jones & Pinegar	Invoice: 710717	-13,821.00
03/10/2020	Check	Durham Jones & Pinegar	Invoice: 710715	-1,061.00
03/10/2020	Check	Durham Jones & Pinegar	Invoice: 710714	-3,368.95
03/10/2020	Check	Durham Jones & Pinegar	Invoice: 710713	-4,827.76
03/10/2020	Check	Goebel Anderson PC	Invoice: 4866	-4,374.00
03/10/2020	Check	Goebel Anderson PC	Invoice: 4867	-3,852.00
03/10/2020	Check	Goebel Anderson PC	Invoice: 4865	-7,920.00
03/10/2020	Check	Hutton Law Associates, PC	Invoice: 00367	-16,809.00
03/10/2020	Check	Mylar Law, PC	Invoice: 00417	-5,623.50
03/10/2020	Check	Mylar Law, PC	Invoice: 00418	-5,167.89
03/10/2020	Check	Mylar Law, PC	Invoice: 00415	-3,762.50
03/10/2020	Check	Mylar Law, PC	Invoice: 00416	-23,485.31
03/10/2020	Check	Suitter Axland	Invoice: 1292419	-18,063.55
03/10/2020	Check	Suitter Axland	Invoice: 1292417	-10,324.70
03/10/2020	Check	Suitter Axland	Invoice: 1292415	-7,245.00
03/10/2020	Check	Suitter Axland	Invoice: 1292414	-2,183.00
03/10/2020	Check	Suitter Axland	Invoice: 1292413	-5,000.50
03/10/2020	Check	Suitter Axland	Invoice: 1292412	-1,913.80
03/10/2020	Check	Suitter Axland	Invoice: 1292411	-11,434.00
03/10/2020	Check	Frontier Adjusters, Inc.	Invoice: T862103	-260.80
03/11/2020	Check	Crazy Color Inc.	Invoice: 5bb36f07	-4,670.58
03/13/2020	Check	Mylar Law, PC	Invoice: 00414	-5,598.68
03/31/2020	Check	Goebel Anderson PC	Invoice: 4962	-954.00
03/31/2020	Check	Mylar Law, PC	Invoice: 00428	-2,731.71
03/31/2020	Check	Strong & Hanni	Invoice: 210925	-15,590.71
03/31/2020	Check	Strong & Hanni	Invoice: 210926	-4,083.60
03/31/2020	Check	Strong & Hanni	Invoice: 210927	-10,355.50
03/31/2020	Check	Siegfried & Jensen	Claim: WHS0000432019	-12,000.00
03/31/2020	Check	Wasatch County Health Department	Claim: WCH0000032020	-2,940.77
04/01/2020	Check	Trumbull Insurance Company	Invoice: Y2R AC 56481	-1,338.38
04/01/2020	Check	Carstar Layton Collision	Invoice: ed8aca57	-1,317.65
04/03/2020	Check	Brent Rose	Claim: DAV0003852020	-284.00

Date	Transaction Type	Name	Memo/Description	Amount
04/07/2020	Check	Hutton Law Associates, PC	Invoice: 00366	-12,865.00
04/07/2020	Check	Mylar Law, PC	Invoice: 00431	-7,172.50
04/07/2020	Check	Mylar Law, PC	Invoice: 00430	-3,517.50
04/07/2020	Check	Suitter Axland	Invoice: 1292487	-15,983.72
04/07/2020	Check	Suitter Axland	Invoice: 1292486	-3,063.33
04/07/2020	Check	Suitter Axland	Invoice: 1292485	-1,726.10
04/07/2020	Check	Suitter Axland	Invoice: 1292484	-26,917.00
04/07/2020	Check	Suitter Axland	Invoice: 1292338	-72.00
04/07/2020	Check	Suitter Axland	Invoice: 1292482	-5,287.18
04/07/2020	Check	Suitter Axland	Invoice: 1292481	-6,335.06
04/07/2020	Check	Suitter Axland	Invoice: 1292480	-15,698.95
04/07/2020	Check	Suitter Axland	Invoice: 1292479	-1,846.65
04/07/2020	Check	Suitter Axland	Invoice: 1292477	-4,480.10
04/10/2020	Check	Wasatch County	Claim: WAT0000122020	-3,535.50
04/14/2020	Check	Durham Jones & Pinegar	Invoice: 713707	-19,042.01
04/14/2020	Check	Durham Jones & Pinegar	Invoice: 713706	-2,325.87
04/14/2020	Check	Durham Jones & Pinegar	Invoice: 713705	-15,738.92
04/14/2020	Check	Durham Jones & Pinegar	Invoice: 713702	-3,670.15
04/14/2020	Check	Durham Jones & Pinegar	Invoice: 713701	-3,632.68
04/14/2020	Check	Durham Jones & Pinegar	Invoice: 713709	-3,800.00
04/14/2020	Check	Goebel Anderson PC	Invoice: 5004	-2,196.00
04/14/2020	Check	Goebel Anderson PC	Invoice: 5006	-3,996.00
04/14/2020	Check	Goebel Anderson PC	Invoice: 5005	-4,230.00
04/14/2020	Check	Mylar Law, PC	Invoice: 00433	-12,415.61
04/14/2020	Check	Mylar Law, PC	Invoice: 00434	-3,255.70
04/14/2020	Check	Mylar Law, PC	Invoice: 00432	-2,399.62
04/15/2020	Check	Washington County	Claim: WAS0000422020	-960.72
04/15/2020	Check	Enterprise Rent-A-Car Company of UT, LLC	Invoice: IAG4709	-984.64
04/15/2020	Check	Michelle Richens	Claim: UIN0000272020	-500.00
04/24/2020	Check	Mylar Law, PC	Invoice: 00437	-8,250.06
04/24/2020	Check	Mylar Law, PC	Invoice: 00436	-6,885.00
04/24/2020	Check	Duchesne County	Claim: DUC0000342020	-695.72
04/24/2020	Check	Duchesne County	Claim: DUC0000352020	-1,320.98
04/24/2020	Check	Garfield County	Claim: GAR0000072020	-4,907.60
04/24/2020	Check	Iron County	Claim: IRO0000312020	-14,699.00
04/24/2020	Check	Wasatch County	Claim: WAT0000122020	-1,643.24
04/24/2020	Check	Frontier Adjusters, Inc.	Invoice: T863832	-694.00
04/28/2020	Check	Crazy Color Inc.	Invoice: 5bb36f07	-720.47
05/01/2020	Check	Davis County	Claim: DAV0000702020	-1,220.40
05/01/2020	Check	Mylar Law, PC	Invoice: 00439	-9,829.74
05/01/2020	Check	Mylar Law, PC	Invoice: 00438	-448.71
05/08/2020	Check	Beaver County	Claim: BEA0000132020	-1,349.40
05/12/2020	Check	Goebel Anderson PC	Invoice: 5156	-882.00
05/12/2020	Check	Goebel Anderson PC	Invoice: 5158	-8,098.00
05/12/2020	Check	Goebel Anderson PC	Invoice: 5157	-3,179.00
05/12/2020	Check	Hutton Law Associates, PC	Invoice: 00367	-22,290.00
05/12/2020	Check	Mylar Law, PC	Invoice: 00446	-2,040.00
05/12/2020	Check	Suitter Axland	Invoice: 1292573	-11,427.90
05/12/2020	Check	Suitter Axland	Invoice: 1292478	-280.00
05/12/2020	Check	Suitter Axland	Invoice: 1292582	-5,525.10
05/12/2020	Check	Suitter Axland	Invoice: 1292578	-41,063.05
05/12/2020	Check	Frontier Adjusters, Inc.	Invoice: T871974	-1,897.55
05/19/2020	Check	Mylar Law, PC	Invoice: 00448	-20,781.49
05/19/2020	Check	Strong & Hanni	Invoice: 212414	-6,328.00
05/19/2020	Check	Strong & Hanni	Invoice: 212433	-1,401.59
05/19/2020	Check	Strong & Hanni	Invoice: 212412	-10,996.64
05/19/2020	Check	Strong & Hanni	Invoice: 212411	-20,686.15
05/19/2020	Check	Strong & Hanni	Invoice: 212406	-53,779.48
05/19/2020	Check	Strong & Hanni	Invoice: 212410	-11,936.50

Date	Transaction Type	Name	Memo/Description	Amount
05/19/2020	Check	Strong & Hanni	Invoice: 212409	-17,113.42
05/22/2020	Check	Davis County	Claim: DAV0000712020	-758.20
05/22/2020	Check	Wasatch County	Claim: WSW0000072020	-19,783.63
05/22/2020	Check	Amber Gordon	Claim: DUC0000362020	-2,235.46
05/22/2020	Check	Paul Sanders	Claim: DAV0000722020	-1,968.88
05/22/2020	Check	Vernell Burgess	Claim: JUA0000162020	-4,193.69
05/26/2020	Check	Beaver County	Claim: BEA0000042020	-31,547.62
05/26/2020	Check	Beaver County	Claim: BEA0000132020	-592.79
05/27/2020	Check	Durham Jones & Pinegar	Invoice: 717603	-5,337.20
05/27/2020	Check	Durham Jones & Pinegar	Invoice: 717602	-5,540.50
05/27/2020	Check	Durham Jones & Pinegar	Invoice: 717600	-420.00
05/27/2020	Check	Durham Jones & Pinegar	Invoice: 717597	-24,301.50
05/27/2020	Check	Durham Jones & Pinegar	Invoice: 717605	-3,011.00
05/27/2020	Check	Mylar Law, PC	Invoice: 00450	-13,893.00
05/27/2020	Check	Mylar Law, PC	Invoice: 00445	-2,080.00
05/27/2020	Check	Mylar Law, PC	Invoice: 00449	-2,528.39
05/27/2020	Check	Karl Malone Dodge	Claim: WSW0000062020	-5,350.50
05/29/2020	Check	Duchesne County	Claim: DUC0000342020	-780.00
05/29/2020	Check	Weber County	Claim: WEB0001002020	-9,356.44
05/29/2020	Check	Mylar Law, PC	Invoice: 00455	-8,500.46
05/29/2020	Check	Frontier Adjusters, Inc.	Invoice: T874101	-282.65
06/02/2020	Check	Dr. Glen R. Hanson	Invoice: 03042020	-8,250.00
06/05/2020	Check	Weber Human Services-	Claim: WHS0000472020	-414.83
06/09/2020	Check	Goebel Anderson PC	Invoice: 5308	-5,616.00
06/09/2020	Check	Goebel Anderson PC	Invoice: 5309	-7,976.50
06/09/2020	Check	Goebel Anderson PC	Invoice: 5310	-6,588.00
06/09/2020	Check	Hutton Law Associates, PC	Invoice: 00368	-7,290.00
06/09/2020	Check	Mylar Law, PC	Invoice: 00451	-562.50
06/09/2020	Check	Mylar Law, PC	Invoice: 00454	-689.00
06/09/2020	Check	Suttter Axland	Invoice: 1292684	-6,445.78
06/09/2020	Check	Suttter Axland	Invoice: 1292685	-4,883.07
06/09/2020	Check	Suttter Axland	Invoice: 1292683	-2,854.58
06/09/2020	Check	Suttter Axland	Invoice: 1292682	-3,214.01
06/09/2020	Check	Suttter Axland	Invoice: 1292681	-164.50
06/09/2020	Check	Suttter Axland	Invoice: 1292680	-21,477.49
06/09/2020	Check	Suttter Axland	Invoice: 1292677	-23,859.35
06/09/2020	Check	Suttter Axland	Invoice: 1292676	-360.50
06/09/2020	Check	Suttter Axland	Invoice: 1292675	-71.00
06/09/2020	Check	Uintah County	Claim: UIN0000292020	-2,813.49
06/09/2020	Check	Uintah County	Claim: UIN0000282020	-2,600.13
06/09/2020	Check	Caliber Holdings Corporation	Invoice: 244040901	-960.53
06/12/2020	Check	Mylar Law, PC	Invoice: 00466	-207.23
06/12/2020	Check	Mylar Law, PC	Invoice: 00465	-7,845.00
06/12/2020	Check	Weber County	Claim: WEB0001072020	-1,501.29
06/12/2020	Check	Weber County	Claim: WEB0001062020	-1,198.29
06/12/2020	Check	Weber County	Claim: WEB0001052020	-2,975.16
06/12/2020	Check	Weber County	Claim: WEB0000872019	-1,641.37
06/12/2020	Check	Charles Martinez	Claim: BOX0000182020	-1,747.96
06/16/2020	Check	TriCounty	Claim: THD0000012020	-394.88
06/16/2020	Check	Washington County	Claim: WAS0000012020	-877.57
<b>Total for 500-000000-10010100 ZionsMLC</b>				<b>-\$ 1,105,415.9</b>
<b>500-000000-10010100 ZionsMLE</b>				
02/21/2020	Deposit	WHS		89,036.00
02/21/2020	Expense	Zions Bank		-119.65
02/24/2020	Check	Public Employees Health Program	Invoice: 0122988859	-8,002.09
02/24/2020	Check	Karla Johnson	Board Meeting Reimbursement	-353.80
02/24/2020	Check	Iron County	Board Meeting Reimbursement	-130.50
02/24/2020	Deposit	WCF	Adjustment to 2019 Estimate Adjust at Audit	2,038.00
02/25/2020	Deposit	US Bank		467.71



Date	Transaction Type	Name	Memo/Description	Amount
02/26/2020	Check	Bruce Adams	Board Meeting Reimbursement	-348.00
02/26/2020	Check	Deb Alexander	Board Meeting Reimbursement	-10.44
02/26/2020	Check	Scott Jenkins	Board Meeting Reimbursement	-73.08
02/26/2020	Check	Mike Wilkins	Board Meeting Reimbursement	-201.84
02/27/2020	Deposit	UIN		100.00
02/28/2020	Payroll Check	Johnnie R. Miller	Pay Period: 02/16/2020-02/29/2020 02/16/2020 to 02/29/2020	-4,536.25
02/28/2020	Payroll Check	Johnnie R. Miller	Pay Period: 02/16/2020-02/29/2020 02/16/2020 to 02/29/2020	-1,250.00
02/28/2020	Payroll Check	Sonya J. White	Pay Period: 02/16/2020-02/29/2020 02/16/2020 to 02/29/2020	-2,691.93
02/28/2020	Payroll Check	Korby M. Siggard	Pay Period: 02/16/2020-02/29/2020 02/16/2020 to 02/29/2020	-2,466.00
02/28/2020	Payroll Check	Marty L. Stevens	Pay Period: 02/16/2020-02/29/2020 02/16/2020 to 02/29/2020	-1,588.42
02/28/2020	Payroll Check	Alexander F. Getts	Pay Period: 02/16/2020-02/29/2020 02/16/2020 to 02/29/2020	-1,412.14
02/28/2020	Check	PEHP-LTD	Agency: 1076	-206.96
02/28/2020	Bill Payment (Check)	By The Numbers Actuarial Consulting, Inc.	Invoice: 2020-066	-7,000.00
02/28/2020	Bill Payment (Check)	Gallagher Bassett Services, Inc.	Invoice: 15407	-276.00
02/28/2020	Check	Johnnie R. Miller	Expense Reimbursement	-213.55
02/28/2020	Tax Payment	IRS	ACKNOWLEDGEMENT NUMBER: 270045935915581	-5,606.00
02/28/2020	Tax Payment	UT State Tax Commission	563-008	-1,938.00
02/28/2020	Check	Utah Retirement Systems	Confirmation: 022820311024	-10,203.96
02/28/2020	Check	Nationwide Retirement Solutions	Entity: 0036786001	-2,665.06
02/28/2020	Transfer		Confirmation: 1583652547670273	-10,000.00
03/02/2020	Bill Payment (Check)	US Bank	Account: 7814	-6,063.75
03/07/2020	Bill Payment (Check)	American Express	3-41009	-209.37
03/10/2020	Bill Payment (Check)	Larson & Company	Invoice: 22436558	-13,474.23
03/13/2020	Payroll Check	Alexander F. Getts	Pay Period: 03/01/2020-03/15/2020 03/01/2020 to 03/15/2020	-1,412.13
03/13/2020	Payroll Check	Sonya J. White	Pay Period: 03/01/2020-03/15/2020 03/01/2020 to 03/15/2020	-2,691.91
03/13/2020	Payroll Check	Johnnie R. Miller	Pay Period: 03/01/2020-03/15/2020 03/01/2020 to 03/15/2020	-4,536.25
03/13/2020	Payroll Check	Johnnie R. Miller	Pay Period: 03/01/2020-03/15/2020 03/01/2020 to 03/15/2020	-1,250.00
03/13/2020	Payroll Check	Korby M. Siggard	Pay Period: 03/01/2020-03/15/2020 03/01/2020 to 03/15/2020	-2,466.01
03/13/2020	Payroll Check	Marty L. Stevens	Pay Period: 03/01/2020-03/15/2020 03/01/2020 to 03/15/2020	-1,588.43
03/13/2020	Check	Sonya J. White	Expense Reimbursement AGRIP	-776.37
03/13/2020	Check	Blaine Breshears	Expense Reimbursement AGRIP	-197.52
03/13/2020	Check	Christopher Crockett	Board Meeting Reimbursement	-52.43
03/13/2020	Check	Christopher Crockett	Expense Reimbursement AGRIP	-315.92
03/13/2020	Check	Deb Alexander	Expense Reimbursement AGRIP	-229.43
03/13/2020	Check	Utah PRIMA	Annual Membership	-195.00
03/13/2020	Tax Payment	IRS	ACKNOWLEDGEMENT NUMBER: 270047394075058	-5,606.02
03/13/2020	Bill Payment (Check)	Goebel Anderson PC	Invoice: 4864	-2,281.50
03/18/2020	Deposit	State of Utah		23.45
03/23/2020	Expense	Zions Bank		-141.56
03/24/2020	Bill Payment (Check)	County Reinsurance, Limited	Property True-Up 07/01/2019 to 07/01/2020	-26,024.00
03/26/2020	Deposit	South Bountiful Auto Parts		2,351.00
03/27/2020	Check	Public Employees Health Program	Invoice: 0123015889	-8,002.09
03/27/2020	Check	PEHP-LTD	Agency: 1076	-210.77
03/27/2020	Bill Payment (Check)	Object Systems International, LLC	Invoice: 10849	-382.50
03/27/2020	Check	Nationwide Retirement Solutions	Entity: 0036786001	-2,665.06
03/27/2020	Check	Utah Retirement Systems	Confirmation:03252312600	-10,331.12
03/30/2020	Tax Payment	IRS	ACKNOWLEDGEMENT NUMBER: 270049030094665	-5,722.54
03/30/2020	Tax Payment	UT State Tax Commission	922-112	-1,985.62
03/30/2020	Bill Payment (Check)	Utah Safety Council	Invoice: 26042	-4,000.00
03/30/2020	Check	Johnnie R. Miller	Expense Reimbursement	-294.55
03/30/2020	Check	Marty L. Stevens	Reimbursable Expenses	-5.80
03/31/2020	Payroll Check	Korby M. Siggard	Pay Period: 03/16/2020-03/31/2020 03/16/2020 to 03/31/2020	-2,466.01
03/31/2020	Payroll Check	Alexander F. Getts	Pay Period: 03/16/2020-03/31/2020 03/16/2020 to 03/31/2020	-1,721.41
03/31/2020	Payroll Check	Marty L. Stevens	Pay Period: 03/16/2020-03/31/2020 03/16/2020 to 03/31/2020	-1,935.18
03/31/2020	Payroll Check	Johnnie R. Miller	Pay Period: 03/16/2020-03/31/2020 03/16/2020 to 03/31/2020	-4,536.25
03/31/2020	Payroll Check	Johnnie R. Miller	Pay Period: 03/16/2020-03/31/2020 03/16/2020 to 03/31/2020	-1,250.00
03/31/2020	Payroll Check	Sonya J. White	Pay Period: 03/16/2020-03/31/2020 03/16/2020 to 03/31/2020	-2,691.92
03/31/2020	Bill Payment (Check)	US Bank	4485594555657814	-8,845.06
04/01/2020	Check	Garfield County	Workers Comp Payroll Audit 2019	-385.00

Date	Transaction Type	Name	Memo/Description	Amount
04/01/2020	Check	Millard County	Workers Comp Payroll Audit 2019	-2,799.00
04/01/2020	Bill Payment (Check)	WCF Insurance	Invoice: 7358792	-134,243.00
04/02/2020	Check	Juab County	Refund 2019 WC Audit	-11,325.00
04/02/2020	Check	Morgan County	Refund 2019 WC Audit	-346.00
04/03/2020	Deposit			25,417.40
04/06/2020	Bill Payment (Check)	Gallagher Bassett Services, Inc.	Invoice: 20-1039	-120.00
04/06/2020	Bill Payment (Check)	HCA Asset Management, LLC	Invoice: 15410	-12,500.00
04/06/2020	Deposit			43,887.00
04/10/2020	Deposit			63,726.00
04/13/2020	Bill Payment (Check)	Larson & Company	nvoice: 22438119	-3,270.28
04/15/2020	Payroll Check	Sonya J. White	Pay Period: 04/01/2020-04/15/2020 04/01/2020 to 04/15/2020	-2,691.91
04/15/2020	Payroll Check	Alexander F. Getts	Pay Period: 04/01/2020-04/15/2020 04/01/2020 to 04/15/2020	-1,566.77
04/15/2020	Payroll Check	Korby M. Siggard	Pay Period: 04/01/2020-04/15/2020 04/01/2020 to 04/15/2020	-2,466.00
04/15/2020	Payroll Check	Marty L. Stevens	Pay Period: 04/01/2020-04/15/2020 04/01/2020 to 04/15/2020	-1,761.80
04/15/2020	Payroll Check	Johnnie R. Miller	Pay Period: 04/01/2020-04/15/2020 04/01/2020 to 04/15/2020	-4,536.25
04/15/2020	Payroll Check	Johnnie R. Miller	Pay Period: 04/01/2020-04/15/2020 04/01/2020 to 04/15/2020	-1,250.00
04/16/2020	Bill Payment (Check)	State of Utah Mail	Invoice: L8219338	-63.75
04/17/2020	Deposit			3,682.00
04/21/2020	Tax Payment	IRS	ACKNOWLEDGEMENT NUMBER: 270051264292878	-5,664.34
04/21/2020	Expense	Zions Bank		-127.30
04/22/2020	Deposit	RIC		1,240.00
04/23/2020	Transfer		Confirmation: 1588529591825118	-40,000.00
04/24/2020	Check	Public Employees Health Program	Invoice: 0123042801	-8,002.09
04/24/2020	Deposit			10,655.00
04/28/2020	Check	Deb Alexander	AGRIP Expense Reimbursement AGRIP	-17.47
04/28/2020	Deposit			2,517.25
04/29/2020	Tax Payment	IRS	ACKNOWLEDGEMENT NUMBER: 270052084889186	-5,664.28
04/29/2020	Tax Payment	UT State Tax Commission	113-344	-1,985.60
04/30/2020	Payroll Check	Sonya J. White	Pay Period: 04/16/2020-04/30/2020 04/16/2020 to 04/30/2020	-2,691.92
04/30/2020	Payroll Check	Johnnie R. Miller	Pay Period: 04/16/2020-04/30/2020 04/16/2020 to 04/30/2020	-4,536.25
04/30/2020	Payroll Check	Johnnie R. Miller	Pay Period: 04/16/2020-04/30/2020 04/16/2020 to 04/30/2020	-1,250.00
04/30/2020	Payroll Check	Marty L. Stevens	Pay Period: 04/16/2020-04/30/2020 04/16/2020 to 04/30/2020	-1,761.80
04/30/2020	Payroll Check	Alexander F. Getts	Pay Period: 04/16/2020-04/30/2020 04/16/2020 to 04/30/2020	-1,566.78
04/30/2020	Payroll Check	Korby M. Siggard	Pay Period: 04/16/2020-04/30/2020 04/16/2020 to 04/30/2020	-2,466.01
04/30/2020	Check	Utah Retirement Systems	Confirmation: 042758291281	-10,331.12
04/30/2020	Check	Nationwide Retirement Solutions	Entity: 0036786001	-2,665.06
04/30/2020	Check	PEHP-LTD	Agency: 1076	-210.77
04/30/2020	Bill Payment (Check)	Mylar Law, PC	Invoice: 00441	-11,301.02
04/30/2020	Transfer		Confirmation: 158923997534382	-15,000.00
05/04/2020	Bill Payment (Check)	US Bank	Account: 7814	-966.13
05/08/2020	Bill Payment (Check)	Larson & Company	Invoice: 22439735	-2,722.99
05/12/2020	Deposit			5,698.00
05/15/2020	Payroll Check	Johnnie R. Miller	Pay Period: 05/01/2020-05/15/2020 05/01/2020 to 05/15/2020	-4,536.25
05/15/2020	Payroll Check	Johnnie R. Miller	Pay Period: 05/01/2020-05/15/2020 05/01/2020 to 05/15/2020	-1,250.00
05/15/2020	Payroll Check	Korby M. Siggard	Pay Period: 05/01/2020-05/15/2020 05/01/2020 to 05/15/2020	-2,466.01
05/15/2020	Payroll Check	Alexander F. Getts	Pay Period: 05/01/2020-05/15/2020 05/01/2020 to 05/15/2020	-1,566.78
05/15/2020	Payroll Check	Marty L. Stevens	Pay Period: 05/01/2020-05/15/2020 05/01/2020 to 05/15/2020	-1,761.82
05/15/2020	Payroll Check	Sonya J. White	Pay Period: 05/01/2020-05/15/2020 05/01/2020 to 05/15/2020	-2,691.91
05/15/2020	Tax Payment	IRS	ACKNOWLEDGEMENT NUMBER: 270053622591070	-5,664.26
05/19/2020	Deposit			223.45
05/21/2020	Deposit	WSSD3		1,457.00
05/21/2020	Expense	Zions Bank		-136.65
05/22/2020	Check	Public Employees Health Program	Invoice: 0123070172	-8,002.09
05/22/2020	Bill Payment (Check)	Gallagher Bassett Services, Inc.	Invoice: 15412	-102.00
05/22/2020	Bill Payment (Check)	Object Systems International, LLC	Invoice: 10917	-60.00
05/22/2020	Bill Payment (Check)	Strong & Hanni	Invoice: 212407	-70.00
05/27/2020	Deposit	US Bank		362.48
05/29/2020	Payroll Check	Johnnie R. Miller	Pay Period: 05/16/2020-05/31/2020 05/16/2020 to 05/31/2020	-4,536.25
05/29/2020	Payroll Check	Johnnie R. Miller	Pay Period: 05/16/2020-05/31/2020 05/16/2020 to 05/31/2020	-1,250.00

Date	Transaction Type	Name	Memo/Description	Amount
05/29/2020	Payroll Check	Marty L. Stevens	Pay Period: 05/16/2020-05/31/2020 05/16/2020 to 05/31/2020	-1,588.42
05/29/2020	Payroll Check	Sonya J. White	Pay Period: 05/16/2020-05/31/2020 05/16/2020 to 05/31/2020	-2,691.92
05/29/2020	Payroll Check	Korby M. Siggard	Pay Period: 05/16/2020-05/31/2020 05/16/2020 to 05/31/2020	-2,466.00
05/29/2020	Payroll Check	Alexander F. Getts	Pay Period: 05/16/2020-05/31/2020 05/16/2020 to 05/31/2020	-1,412.14
05/29/2020	Tax Payment	IRS	ACKNOWLEDGEMENT NUMBER: 270055073599789	-5,606.02
05/29/2020	Tax Payment	UT State Tax Commission	442-112	-1,961.80
05/29/2020	Check	Utah Retirement Systems	Confirmation: 052737465315	-10,267.54
05/29/2020	Check	Nationwide Retirement Solutions	Entity: 0036786001	-2,665.06
05/29/2020	Check	PEHP-LTD	Agency: 1076	-208.87
05/29/2020	Bill Payment (Check)	US Bank	Account: 7814	-984.76
06/05/2020	Bill Payment (Check)	HCA Asset Management, LLC	Invoice: 201058	-34,675.00
06/05/2020	Bill Payment (Check)	Mylar Law, PC	Invoice: 00458	-641.33
06/05/2020	Bill Payment (Check)	By The Numbers Actuarial Consulting, Inc.	Invoice: 2020144	-2,000.00
06/12/2020	Bill Payment (Check)	Gallagher Bassett Services, Inc.	Invoice: 15418	-90.00
06/12/2020	Bill Payment (Check)	Goebel Anderson PC	Invoice: 5307	-2,448.00
06/12/2020	Tax Payment	IRS	0564-8097-4186	-5,664.28
06/15/2020	Payroll Check	Sonya J. White	Pay Period: 06/01/2020-06/15/2020 06/01/2020 to 06/15/2020	-2,691.92
06/15/2020	Payroll Check	Alexander F. Getts	Pay Period: 06/01/2020-06/15/2020 06/01/2020 to 06/15/2020	-1,566.77
06/15/2020	Payroll Check	Korby M. Siggard	Pay Period: 06/01/2020-06/15/2020 06/01/2020 to 06/15/2020	-2,466.01
06/15/2020	Payroll Check	Marty L. Stevens	Pay Period: 06/01/2020-06/15/2020 06/01/2020 to 06/15/2020	-1,761.81
06/15/2020	Payroll Check	Johnnie R. Miller	Pay Period: 06/01/2020-06/15/2020 06/01/2020 to 06/15/2020	-4,536.25
06/15/2020	Payroll Check	Johnnie R. Miller	Pay Period: 06/01/2020-06/15/2020 06/01/2020 to 06/15/2020	-1,250.00
<b>Total for 500-000000-10010100 ZionsMLE</b>				<b>-\$ 356,963.2</b>

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Blue—a change following the meeting of the Governance Committee.

**UCIP Property Part**  
**Summary of Changes for 7/1/2020**  
(Page References are for the Redline Version)

*There are several non-substantive formatting and spacing corrections in the document that are not outlined below.*

**CHANGES MADE TO TERMS THROUGHOUT THE DOCUMENT:**

ADDENDUM to PART 1 PROPERTY – to clarify that the terms in the coverage part apply only to this coverage part, and not the entire addendum.

COVERAGE AGREEMENT to COVERAGE PROVIDED – to reinforce that this is not a separate agreement from the Interlocal and Bylaws.

CONTINGENT BUSINESS INTERRUPTION to CONTINGENT GROSS EARNINGS. The terms are synonymous in the industry, but BUSINESS INTERRUPTION is not a defined term in the addendum.

ENDORSEMENT to AMENDMENT.

Changed Date to 7/1/2020.

**DECLARATIONS**

Page 27: Changed the term COVERAGE AGREEMENT to COVERAGE PROVIDED to reinforce that this is not a separate agreement from the Interlocal and Bylaws. This change is made throughout the document. The subsequent language follows reinsurance language and provides clarity on what is covered in the agreement. Specifically, it states that we cover what is listed in the Schedule of Values, or if not scheduled, as provided by the three unscheduled provisions. Therefore, the Schedule of Values outlines and dictates the key reporting requirements.

Page 27: Deleted the Covered Location reference to follow reinsurance forms which no longer use that term. **This change from providing coverage at a Covered Location to providing coverage to or at COVERED PROPERTY broadens coverage for Members.**

**LIMIT OF COVERAGE**

Page 27: LIMIT OF COVERAGE language modified to match reinsurers language and **increased the total occurrence limit for all Members combined from \$500,000,000 to \$750,000,000**

Page 28: Renamed Professional Fees CLAIM PREPARATION FEES AND EXPENSES and moved to alphabetical order.

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- Page 28: CONTINGENT GROSS EARNINGS/CONTINGENT EXTRA EXPENSE sublimit was decreased to \$2,500,000, however this sublimit has been shown incorrectly as \$10,000,000 since 2011 when it should have been \$1,000,000. The term Business Interruption was replaced with Gross Earnings throughout the document.
- Page 28: Tax Treatment of Profits renamed CONTINGENT TAX REVENUE INTERRUPTION and moved to alphabetical order.
- Page 28: DEBRIS REMOVAL: Changed the “greater of” to the “lesser of” as using “greater of” was an error in the prior reinsurance forms. The industry norm is “lesser of”.
- Page 29: EARTHQUAKE sublimit provision was clarified as Per Occurrence and Annual Aggregate.
- Page 29: Energy Efficiency Upgrade sublimit moved from endorsement to sublimits section.
- Page 29: ELECTRONIC DATA AND MEDIA added to sublimits with a \$25,000,000 sublimit as it was added as an Additional Coverage.
- Page 29: “BUSINESS INTERRUPTION” in the EQUIPMENT BREAKDOWN sublimits was replaced with “GROSS EARNINGS” and combined this coverage with EXTRA EXPENSE to match the reinsurer’s approach of combining these two coverages as well as match the subsequent sublimit changes made to the GROSS EARNINGS AND EXTRA EXPENSE COMBINED section.
- Page 29: COMPUTER EQUIPMENT sublimit under Equipment Breakdown was changed from Included to \$50,000,000 to match sublimit provided by reinsurer.
- Page 29: PATIENT EVACUATION EXPENSE was replaced with EVACUATION EXPENSE with the sublimit increased from \$1,000,000 to \$2,500,000. The coverage has been expanded to include inmates as well as patients. Consider leaving at \$1,000,000 if expanding to inmates.
- Page 29: EXTRA EXPENSE was combined with GROSS EARNINGS with a combined sublimit.
- Page 29: Renamed Fine Arts UNSCHEDULED FINE ARTS to recognize the limited scheduling required for these items.
- Page 30: FLOOD sublimits provisions clarified as Per Occurrence and Annual Aggregate.
- Page 30: Demolition was deleted from the term INCREASED COST OF CONSTRUCTION as demolition is part of the increased costs of construction covered. Sublimit changed from \$100,000,000 to \$25,000,000 to match reinsurance provided.

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- Page 30: INSECT, ANIMAL, AND VERMIN DAMAGE added Mobile Equipment to the additional coverage due to existing exposure. As this sublimit provides coverage for an otherwise excluded peril, adding Mobile Equipment is a broadening of coverage.
- Page 30: LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL added with sublimits of \$2,500,000 per occurrence and \$5,000,000 Annual Aggregate. As this sublimit provides coverage for an otherwise excluded peril, adding a sublimit is a broadening of coverage.
- Page 30: LANDSCAPING sublimit language changed as Defined Perils are now defined rather than naming them throughout the document.
- Page 30: Removed MOBILE MEDICAL EQUIPMENT sublimit which now provides full limits for loss to this equipment.
- Page 30: Removed Named Storm sublimit and throughout document as Named Storms are not applicable to Utah.
- Page 30: Added sublimit for PERSONAL PROPERTY of Officers and Employees of the Member of \$1,000,000.
- Page 30: Renamed Professional Fees CLAIM PREPARATION FEES AND EXPENSES and moved to alphabetical order.
- Page 31: Tax Treatment of Profits renamed CONTINGENT TAX REVENUE INTERRUPTION and moved to alphabetical order.
- Page 31: Temporary Removal of Property sublimit for property being repaired or serviced removed.
- Page 5: TRANSIT limit clarified to apply “per conveyance”
- Page 31: Unscheduled Contingent Tax Revenue Interruption renamed CONTINGENT TAX REVENUE INTERRUPTION and moved to alphabetical order.
- Page 31: UNSCHEDULED TUNNELS, BRIDGES, AIRPORT RUNWAYS AND DAMS increased sublimit from \$250,000 to \$2,500,000.
- Page 31: UNSCHEDULED UNMANNED AIRCRAFT SYSTEMS added with \$100,000 sublimit per system/\$1,000,000 sublimit per occurrence.
- Page 31: UNSCHEDULED WATERCRAFT replacing Watercraft 27 feet or less, with increase in sublimit from \$1,500,000 to \$2,500,000 per occurrence and removing the \$250,000 any one Watercraft sublimit.
- Page 31: Wharves, Piers, Docks, Pilings and Bulkheads changed to UNSCHEDULED WHARVES, PIERS, DOCKS, PILINGS AND BULKHEADS, and increased sublimit from \$1,000,000 per occurrence to \$2,500,000 per occurrence.

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- Page 32: VALUE REPORTING PROVISIONS section modified to incorporate language from the Coinsurance Penalty Suspension Endorsement, which was deleted.
- Page 32: Restructured format of Deductibles section to provide more clarity on deductibles for different types of property and losses.
- Page 32: FLOOD Deductible language changed to match reinsurance agreements, including clarifying FLOOD Deductible does not apply to Vehicles and Mobile Equipment.
- Page 35: Subsections marked “References and Application” that included definitions have been deleted throughout the document and definitions moved to the new Definitions Section.
- Page 35: **PROPERTY COVERAGE TERRITORY** expanded to include Canada.

## **COVERED PROPERTY**

- Page 35: Property Covered was changed to **COVERED PROPERTY**. This coincides with the change from using the defined term **Covered Property** to this coverage section **COVERED PROPERTY**, which is more exhaustive.
- Page 36: Real Property: added “but not limited to” as the following were meant to be examples and not an exhaustive list of real property types. Replaced “additions under construction at any new or existing LOCATION” with “construction” to broaden coverage.
- Page 36: Subsection (ii) of PERSONAL PROPERTY description changed LOCATION reference to “real property covered”, since COVERED PROPERTY includes personal property and personal property of officers and employees that are located within 100 feet from insured laptops or vehicles was not intended. Clarified that Mobile Equipment and Vehicles are not covered under this subsection, but are dealt with in subsection (vi).
- Page 36: Subsection (v) of PERSONAL PROPERTY description deleted equipment and towers as these are covered as either real property or Member owned property and added Vehicles and Unmanned Aircraft Systems.
- Page 36: Subsection (vi) added Mobile Equipment of officers, employees and volunteers and expanded coverage to \$500 per deductible charged from per occurrence.

## **PROPERTY EXCLUDED**

- Page 37: Deleted the list of Defined Perils from the exceptions to the Land, water or any other substance in or on land exclusion and replaced it with the defined term **Defined Perils**.

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- Page 37: Removed pedestrian or golf cart pavements from subsection (i) as they are covered under subsection (ii).
- Page 37: Added parking lots to coverage for pavements, sidewalks and culverts.
- Page 37: Added in subsection (iii) that coverage for Athletic fields includes necessary materials, fill, and substrate beneath such fields.
- Page 37: Moved exclusion for standing timber or growing crops from Animal exclusion and moved to its own exclusion including greens and tees at golf courses. This has been a typographical error on the last several versions of the document.
- Page 37: Removed watercraft over 27 feet from list of PROPERTY EXCLUDED.
- Page 37: Removed property in transit from list of PROPERTY EXCLUDED.
- Page 38: Moved exclusion to transmission and distribution lines located more than one mile from a COVERED PROPERTY from the SERVICE INTERRUPTION PROPERTY DAMAGE section to the exclusions.
- Page 38: Clarified the exclusion to roads to roadways, highways and streets used for vehicular traffic. Deleted bridges and tunnels from this exclusion so each can be covered if scheduled, along with the UNSCHEDULED TUNNELS AND BRIDGES COVERAGE.
- Post Coverage Committee Meeting: Added guardrails and road signs to the exclusion to roadways, highways and streets. Adding coverages for unscheduled property without this change would obligate UCIP to pay for all damage to guardrails and road signs struck by vehicles, without collecting any contribution of the values of guardrails and road signs. If Members want coverage on guardrails and road signs, they can schedule coverage and pay the appropriate contribution.
- Page 38: Added exclusion to Equipment used to produce power or gas for distribution to third parties. This is an exclusion in UCIP's reinsurance policies. No Members have any power or gas distribution equipment used to sell to third parties, so this exclusion does not affect any UCIP Member.
- Page 38: Added exclusion to Davis County Event Center which was previously excluded by endorsement.

### **ADDITIONAL COVERAGES**

- Page 40: Clarified that AUTOMATIC COVERAGE for new buildings does not apply to property already covered by PROPERTY IN THE COURSE OF CONSTRUCTION, ERRORS AND OMISSIONS or property covered by other insurance.



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- Page 40: Renamed Professional Fees CLAIM PREPARATION FEES AND EXPENSES and moved to alphabetical order.
- Page 42: Changed Earthquake coverage to EARTH MOVEMENT coverage, which is defined much broader than Earthquake. Moved Earthquake related definitions to DEFINITIONS Section.
- Page 43: Added ELECTRONIC DATA AND MEDIA as an ADDITIONAL COVERAGE.
- Page 43: Clarified property covered by AUTOMATIC COVERAGE is not covered under the ERRORS AND OMISSIONS additional coverage.
- Page 45: Removed reference to “DEMOLITION AND...” as the proper name for the Additional Coverage is simply “INCREASED COST OF CONSTRUCTION”. This change shows throughout the document.
- Page 47: Deleted the exclusion of properties covered under the AUTOMATIC, ERRORS AND OMISSIONS AND MISCELLANEOUS UNNAMED LOCATIONS from the LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL coverage.
- Page 47: Removed Mobile Medical Equipment additional coverage as this additional coverage was used to sublimit the coverage for this equipment, and the sublimit was removed.
- Page 47: Renamed Professional Fees CLAIM PREPARATION FEES AND EXPENSES and moved to alphabetical order.
- Page 48: PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS language revised to match reinsurance language, broadening the coverage for buildings under construction.
- Page 50: Telecommunications services added to SERVICES INTERRUPTION PROPERTY DAMAGE coverage and clarified this coverage applies to both incoming and outgoing services. Moved limitation of coverage to transmission lines in excess of one mile to EXCLUSIONS Section.
- Page 50: Tax Treatment of Profits renamed CONTINGENT TAX REVENUE INTERRUPTION and moved to alphabetical order.
- Page 51: Temporary Removal of Property deleted as this Additional Coverage was used to impose a sublimit for property being repaired or serviced which was removed from the sublimits.
- Page 51: Added TERRORISM as an Additional Coverage and deleted the Terrorism Endorsement.

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Page 53: Deleted UNSCHEDULED TUNNELS, BRIDGES, AIRPORT RUNWAYS AND DAMS as an additional coverage as these items are no longer excluded in the EXCLUSIONS section. Consider leaving this in document to clarify coverage.

Page 54: Deleted EDP MEDIA from VALUABLE PAPERS AND RECORDS as ELECTRONIC DATA AND MEDIA was added as its own additional coverage.

## **EXCLUSIONS**

Page 56: Moved a Hostile or Warlike Action exclusion to PART 1 PROPERTY Exclusions from the General Exclusions to all coverage parts, as the exclusion for property and liability should use different language.

Page 57: Clarified the exclusion to Lack of services applies to both incoming and outgoing services and includes telecommunications. Much of this exclusion is removed under the SERVICE INTERRUPTION PROPERTY DAMAGE additional coverage.

Page 57: Added clarifying exclusion to unlawful passion, use, release, discharge or disposal of any chemical or other agent. This would already be excluded under the General Exclusion to illegal or dishonest acts.

Page 57: Added Mobile Equipment to exclusion to insect, animal and vermin damage exclusion. Coverage for Mobile Equipment and Vehicles for this peril is brought back as an additional coverage with a sublimit.

Page 58: Deleted typo of “Fungus, mold or mildew” from Asbestos exclusion.

Page 58: Moved the exclusion for failure or malfunction of computers due to the inability to correctly recognize or process a date or time from an endorsement to the Exclusions Section.

Page 58: Changed language in the Fungus and Mold exclusion to match language in UCIP’s reinsurance policies.

## **SECTION C TIME ELEMENT**

Page 61: Definitions under Time Element section References and Application moved to Definitions section.

Page 63: Revised Time Element Contingent Tax Revenue Interruptions language to match reinsurer’s language, deleting the requirement for a Member to report Revenue Interruption values to trigger coverage.

Page 66: Changed Patient Evacuation Expense to include evacuation of inmates and juvenile detainees. Consider waiting to add inmates, or lower sublimit.

Page 67: Deleted Related Reported Values subsection from Time Element section as it was unnecessary.

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Page 68: Changed Service Interruption Time Element subsection to include both incoming and outgoing services and deleted limitation on transmission lines in excess of one mile from Covered Property.

## **VALUATION**

Page 73: Removed limitation to scheduled value on Fine Arts valuation and replaced with “current market value”.

Page 73: Added “new for two” to valuation of Mobile Equipment, watercraft and Vehicles. Also added language to allow replacement cost on emergency vehicles.

Post Governance Committee Meeting: Changed language on “new for two” to apply only to owned vehicles, not leased or rented vehicles. Also struck new language regarding Replacement Cost coverage on equipment and vehicles as UCIP has not provided this in the past, has no rate to provide RC, and has no Members requesting RC.

Page 74: Changed Historical Property to Reproduction Cost Property and moved definition of Reproduction Cost to definitions.

Page 74: Added Vacant Property subsection to Valuation section. Clarified damage caused by vandalism, sprinkler leakage, glass breakage and theft are not covered, and all other loss at vacant locations are reduced by 15%. These changes were made to match reinsurance language which has been in place since 2014, which UCIP has not yet adopted. Added definitions for vacant to definitions section.

Page 80: Clarified that suit against the Pool for a property loss must be filed against the Pool in accordance with the Governmental Immunity Act.

Page 80: Added a Settlement of Claims provision to coincide with reinsurance policies. Changed number of days to make payment of a settlement to a Member to payment in accordance with the Uniform Fiscal Procedures Act.

Post Governance Committee Meeting: Struck exception to “Accounts Receivable” as those claims would also be paid out in accordance with the Uniform Fiscal Procedures Act.

Page 81: Modified language in Additional Interests section to follow UCIP’s current procedures based on restrictions under the Utah Certificate of Insurance Act.

Page 82: Modified language in Lenders Loss Payee section to follow language in Additional Interests section and UCIP’s current procedures and restrictions under the Utah Certificate of Insurance Act.

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Page 84: Insurance or Other Coverage language updated to ensure that our form is excess over specific (i.e. specified perils) policies. Our intent is that flood policies, for example, respond to flood claims before our coverage responds.

Page 84: Changed Addendum Modification language to clarify the addendum can be modified only in accordance with provisions of the Interlocal Agreement and Bylaws.

### **Definitions**

Page 85-90: Added Definitions Section with definitions moved from throughout the document.

Page 85: Added definition for **Defined Perils**, which had referred to in a list throughout the document. Used the reinsurer's definition of **Defined Perils** which follows the list previously used.

Page 85: Revised definition of **Earthquake** to simply "a shaking or trembling of the earth that is tectonic or seismic in origin". The former definition of **Earthquake** became the new definition of **Earth Movement**.

Page 85: Added definition for **Earth Movement**, using the reinsurer's definition which is our former **Earthquake** definition except a change for continuous event has changed from 72 hours to 168 hours, reducing the exposure to multiple deductibles.

Page 86: Replaced defined term **EDP Media** with **Electronic Data and Media** using prior definition.

Page 86: Added definition for **Federal Insurance Administration** using reinsurer's definition as that term is used in the revised **Flood** deductible language.

Page 86: **Fine Arts** definition was revised to match reinsurer's language, adding manuscripts and murals to the definition.

Post Governance Committee Meeting: Added "mounted animals and insects" to definition in recognition of displays such as those at the Dixie Center.

Page 86: **Flood** definition was revised to match reinsurer's language, deleting the reference to surface water or water that backs up or flows from a sewer, drain or sump. Continuous period was extended to 168 hours, reducing exposure to multiple deductibles.

Page 87: **Mobile Equipment** definition revised to use the term "self-propelled equipment" instead of vehicle, which is now a defined term. Used reinsurer's definition for the most part but added back some of the examples from UCIP's prior definition.

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- Page 87: Added a definition for **Occurrence** specific to property coverage, using reinsurer's language. Occurrence was previously defined in the General Definitions Section applicable to all coverages. The General Definition of Occurrence was worded for the liability and was not a good definition for the property Part.
- Page 88: Changed defined term Pollutants to **Pollution** and modified definition to match reinsurance language, which added vaccines and waste to the list of examples.
- Post Governance Committee Meeting: Based on discussion of the Committee and with CRL, changed back to the term "Pollutant" from "Pollution" as all coverages provided speak of "Pollutant clean-up". Replaced references to "presence of Pollution" to "presence of Pollutants" throughout the document.
- Page 88: Post Governance Committee Meeting: Added definition for Replacement Cost in order to have definitions for all three types of valuation (AC, RC and RPC).
- Page 88: Added new definition for **Reproduction Cost** to clarify difference from Replacement Cost.
- Page 89: **Storm Surge** definition added as it is a term used in the **Flood** deductible language. Used reinsurer's definition.
- Page 89: **Terrorism** definition added using reinsurer's definition. **Terrorism** was formerly described in the General Exclusions Section where it was excluded for all coverages. **Terrorism** was endorsed on to the property coverage several years ago and is now an Additional Coverage for property.
- Page 89: **Unmanned Aircraft System** definition added using reinsurer's language. Unmanned Aircraft was defined as part of the Unmanned Aircraft Endorsement, which was deleted as it is now listed as covered personal property.
- Page 89: Added definition of **Vacant** using reinsurer's language to go along with the definition of **Vacant Property**.
- Page 89: Added definition of **Vacant Property** as limitations have been placed on coverage at **Vacant Property**.
- Page 90: Added definition of **Vehicle** to replace defined term Automobile. Automobile was previously defined in the General Definitions Section and was used for both property and liability coverages. The definition of Automobile was more appropriate for use in the liability section, so going forward we will define **Vehicle** in the property section based on coverage for physical damage.
- Page 90: Added definition of **Waiting Period** for Time Element coverages using reinsurer's definition.

Green—an improvement of coverage.

Red—a restriction or reduction in limits of a coverage.

Orange—a combination of improvement/reduction of coverage.

Blue—a change following the meeting of the Governance Committee.

### **Amendments (formerly Endorsements)**

Page 91: (Added 3-31-20) Communicable Disease Exclusion Endorsement – property market is adding this as clarification in response to COVID-19. Property forms do not cover COVID-19 (including ours), but this adds a clear exclusion to remove doubt.

### **Energy Efficiency Upgrade Amendment**

Pages 92-98: Made changes to the Energy Efficiency Upgrade Endorsement to match language of reinsurer's **Upgrade to Green** endorsement.

Page 92: Clarified the Energy Efficiency Upgrade coverage is added to the Additional Coverage section so the terms of the Additional Coverage section apply.

Page 92: Replaced the limit for coverage of \$1,000,000 with a reference to the Sublimits section which provides the \$1,000,000 per occurrence sublimit.

### **Equipment Breakdown Amendment**

Page 99-104: Replaced Equipment Breakdown Endorsement with Equipment Breakdown Amendment using reinsurer's language for the endorsement.

Page 100: Added equipment supplying fuel and refrigeration to the list of Covered Equipment for Service Interruption.

Page 103: Added Mobile Equipment to list of equipment not covered by Equipment Breakdown. This was a clarification as vehicles and self-propelled equipment are already listed.

Page 104: Added power and gas generation utility equipment to match reinsurance language and the exclusion to power and gas utilities in UCIP's reinsurance policies.

Page 104: Deleted definitions of Data and Media in the Equipment Breakdown Amendment as these are now defined in the Part 1 Property form Definitions section.

## PART I PROPERTY

### SECTION A DECLARATIONS

#### 1. COVERAGE ~~AGREEMENT~~PROVIDED

This ~~ADDENDUM~~PART I PROPERTY, subject to the terms, exclusions, limits and conditions contained herein or ~~endorsed-amended~~ hereon, covers all risks of direct physical loss of or direct physical damage to the Member's PROPERTY as described herein, provided such loss or damage occurs during the Term of Coverage described in ~~Part I-B~~TERMS APPLICABLE TO ALL COVERAGE PARTS A.1. The coverage under this PART 1 PROPERTY applies to Property described on the Schedule of Values or covered under the terms and conditions of the AUTOMATIC COVERAGE (NEWLY ACQUIRED), ERRORS AND OMISSIONS, or MISCELLANEOUS UNNAMED PROPERTY provisions, unless otherwise provided.

#### 2. ~~Covered Location~~

~~a. The coverages under this ADDENDUM apply to a COVERED LOCATION unless otherwise provided.~~

~~A COVERED LOCATION is a LOCATION:~~

~~(i) Listed on a schedule on file with the POOL;~~

~~(ii) Covered as a MISCELLANEOUS UNNAMED LOCATION; or~~

~~(iii) Covered under the terms and conditions of the AUTOMATIC COVERAGE, ERRORS AND OMISSIONS, and/or PROPERTY IN COURSE OF CONSTRUCTION and SOFT COSTS.~~

~~References and Application. The following terms wherever used in this ADDENDUM mean:~~

~~LOCATION:~~

~~(iv) As specified in the Schedule of Locations, except for MISCELLANEOUS UNNAMED LOCATIONS; or~~

~~(v) If not so specified or if a MISCELLANEOUS UNNAMED LOCATION, a building bound on all sides by public streets, clear land space or open waterways, each not less than a fifty feet wide separation. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this References and Application.~~

#### 3. ~~LIMITS-LIMIT~~ OF COVERAGE



The **Pool's** maximum Limit of Coverage in a single **Occurrence** regardless of the number of **Members**, COVERED PROPERTIES, or coverages involved will not exceed:

\$750,000,000

The terms and conditions of this ~~Section~~ PART 1 PROPERTY, including the sublimits below, constitute the **Pool's** ~~Limits-Limit~~ of Coverage as a whole for all **Members**. ~~The maximum-Limit of Coverage for the POOL as a whole is \$500,000,000 per OCCURRENCE, subject to the sublimits and inclusive of MEMBER retentions stated below or by endorsement.~~ The sublimits stated below are a part of, and do not increase, any ~~Limits-Limit~~ of ~~Liability-Coverage~~ of ~~the program~~ this PART 1 PROPERTY.

The following sublimits apply on a per **Occurrence** basis, unless otherwise stated.

When a ~~Limit of Coverages~~ sublimit is shown as applying ~~in-the-as an annual aggregate-Aggregate~~, the **Pool's** maximum Limit of Coverage will not exceed such limit during any fiscal year of the **Pool** regardless of the number of **Members**, LOCATIONS-COVERED PROPERTIES and coverages involved.

~~The following Sublimits apply on a per OCCURRENCE basis, unless otherwise stated. The following sublimits Any Sublimit that applies on a per OCCURRENCE basis applies apply to all losses in the Aggregate arising from any single OCCURRENCE with respect to all MEMBERS covered under this ADDENDUM regardless of the number of LOCATIONS or Members, COVERED PROPERTIES and coverages involved. Any sublimit shown as applying in the Annual Aggregate applies to all losses for that peril/coverage in the Aggregate during the POOL'S fiscal year regardless of the number of MEMBERS, LOCATIONS and coverages involved. Any sublimit for EARTHQUAKE and FLOOD is the maximum Limit of Coverage for all loss, damage, expense or TIME ELEMENT loss relating to such an Occurrence.~~

Sublimits:

\$25,000,000	ACCOUNTS RECEIVABLE
\$2,500,000	ANIMALS USED FOR RESEARCH
\$25,000,000	AUTOMATIC COVERAGE
<u>\$5,000,000</u>	<u>CLAIM PREPARATION FEES AND EXPENSES</u>
<u>\$10,000,000</u> <u>\$2,500,000</u>	CONTINGENT <del>BUSINESS INTERRUPTION</del> <u>GROSS EARNINGS/CONTINGENT EXTRA EXPENSE</u> <del>(excluding EARTHQUAKE and FLOOD)</del>
<u>\$1,000,000</u>	<u>CONTINGENT TAX REVENUE INTERRUPTION</u>

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\$25,000,000 DEBRIS REMOVAL (~~greater-lesser~~ of 25% of property damage loss or the sublimit shown)

\$5,000,000 DECONTAMINATION COSTS

\$1,000,000 DEFERRED PAYMENTS

\$100,000,000 EARTHQUAKE—Per Occurrence and Annual Aggregate ~~Non-Critical~~

\$25,000,000 ELECTRONIC DATA AND MEDIA

\$1,000,000 Energy Efficiency Upgrade

\$100,000,000 EQUIPMENT BREAKDOWN, including:

Spoilage \$5,000,000

Service Interruption \$25,000,000

~~Business Income~~ ~~INCLUDED~~

Gross Earnings and Extra Expense \$10,000,000

Expediting Expense \$5,000,000

Hazardous Substance \$1,000,000

Ammonia Contamination \$1,000,000

ELECTRONIC DATA and MEDIA \$10,000,000

CFC Refrigerants \$1,000,000

Computer Equipment ~~INCLUDED~~ \$50,000,000

\$25,000,000 ERRORS AND OMISSIONS

\$2,500,000 EVACUATION EXPENSE

\$10,000,000 EXPEDITING EXPENSE

\$10,000,000 EXTENDED PERIOD OF ~~COVERAGE~~ INDEMNITY

\$25,000,000 ~~Extra Expense~~

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<del>\$10,000,000</del>	<del>FINE ARTS (Objects over \$10,000 must be scheduled and are sublimited to the reported value)</del>
\$20,000,000	FLOOD— <u>Per Occurrence and</u> Annual Aggregate as respects all <del>LOCATIONS</del> <u>COVERED PROPERTIES</u> situated wholly or partially within <b>Special Flood Hazard Area (SFHA)</b>
\$100,000,000	FLOOD— <u>Per Occurrence and</u> Annual Aggregate as respects all <del>LOCATIONS</del> <u>COVERED PROPERTIES</u> not situated wholly or partially within <b>Special Flood Hazard Area (SFHA)</b>
<del>\$100</del> 25,000,000	<del>Demolition and</del> INCREASED COST OF CONSTRUCTION
\$25,000,000	INGRESS/EGRESS
\$2,500,000	INSECT, ANIMAL AND VERMIN DAMAGE to <u>Mobile Equipment and Vehicles</u>
\$25,000,000	INTERRUPTION BY CIVIL AUTHORITY
<u>\$2,500,000</u>	<u>LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL—subject to a \$5,000,000 Annual Aggregate.</u>
\$2,500,000	LANDSCAPING, subject to \$15,000 any one shrub or tree caused by or resulting from <del>the following causes of loss: EARTHQUAKE, explosion, falling aircraft, fire, FLOOD, hail, lightning, NAMED STORM, smoke, tornado, vehicle impact, wind driven water, and windstorm</del> <u>DEFINED PERIL</u>
\$25,000,000	LEASEHOLD INTEREST
\$25,000,000	MISCELLANEOUS UNNAMED <del>LOCATIONS</del> <u>COVERED PROPERTIES</u>
<del>\$2,500,000</del>	<del>Mobile Medical Equipment</del>
<del>\$50,000,000</del>	<del>NAMED STORM</del>
<del>\$1,000,000</del>	<del>Patient Evacuation Expense (only when actual loss occurs at a Member's Location, or in the event of a mandatory evacuation order)</del>
<u>\$1,000,000</u>	<u>PERSONAL PROPERTY of Officers and Employees of the Member</u>
<del>\$5,000,000</del>	<del>Professional Fees</del>

\$25,000,000	PROPERTY IN <u>THE</u> COURSE OF CONSTRUCTION and SOFT COSTS—any one <u>LOCATIONCOVERED PROPERTY</u>
\$25,000,000	SERVICE INTERRUPTION—PROPERTY DAMAGE and TIME ELEMENT Combined ( <del>including transmission facilities, excluding transmission and distribution lines in excess of one mile</del> )
<del>\$1,000,000</del>	<del>Tax Treatment of Profits</del>
<del>INCLUDED</del>	<del>Temporary Removal of Property, except \$1,000,000 for the purpose of being repaired or serviced</del>
<del>\$2,000,000</del> <del>\$2,500,000</del>	TRANSIT—PROPERTY DAMAGE and TIME ELEMENT combined - <u>per conveyance</u>
<del>\$1,000,000</del>	<del>Unscheduled Contingent Tax Revenue Interruption</del>
<u>\$10,000,000</u>	<u>UNSCHEDULED FINE ARTS—Subject to a maximum of \$250,000 per item</u>
<del>\$250,000</del> <u>\$2,500,000</u>	UNSCHEDULED TUNNELS, BRIDGES, AIRPORT RUNWAYS AND DAMS <del>unless specific values have been declared</del> ( <u>defined perils only</u> excluding coverage for the perils of <u>EARTHQUAKE EARTH MOVEMENT and FLOOD, NAMED STORM or other declared disasters</u> , unless specifically scheduled).
<u>\$1,000,000</u>	<u>UNSCHEDULED UNMANNED AIRCRAFT SYSTEMS including attached equipment - \$100,000 per system</u>
<u>\$2,500,000</u>	<u>UNSCHEDULED WATERCRAFT</u>
<u>\$2,500,000</u>	<u>UNSCHEDULED WHARVES, PIERS, DOCKS, PILINGS AND BULKHEADS—subject to \$500,000 and one Wharf, Pier, Dock, Piling or Bulkhead</u>
\$25,000,000	VALUABLE PAPERS AND RECORDS
<del>\$1,500,000</del>	<del>Watercraft 27 feet or less in length, subject to \$250,000 any one Watercraft</del>
<del>\$1,000,000</del>	<del>Wharves Piers, Docks, Pilings, and Bulkheads, subject to \$500,000 any one LOCATION</del>

#### Time Limits

In addition to the time limits shown elsewhere in this ADDENDUMPART 1 PROPERTY, the following apply:

30 Day Period      Interruption by Civil Authority

30 Day Period      Ingress/Egress

180 Day Period    Extended Period of Coverage

#### 4.      **CONTRIBUTION**

The coverage under this PART 1 PROPERTY is provided This ADDENDUM is issued in consideration of the annual contribution as approved by the **Pool** Board of Directors.

#### 5.      **VALUE REPORTING PROVISIONS**

The **Member** has provided the **Pool**, 100% **Replacement Cost** values by LOCATION COVERED PROPERTY. A Member shall be considered in compliance with this VALUE REPORTING PROVISION regarding the value of buildings if the MEMBER agrees to schedule the value of buildings at a value documented by a certified appraiser engaged by the Pool to determine building values with annual adjustments made to the value by the Pool. Compliance with the VALUE REPORTING PROVISION through use of the Pool appraised values and annual adjustments will suspend the co-insurance penalty outlined in Part 1.D.3.(1)(ix).

#### 6.      **WAITING PERIOD**

For purposes of applying Service Interruption, Civil Authority and Ingress/Egress coverage, the WAITING PERIOD is twenty-four (24) hours.

#### 7.      **DEDUCTIBLES**

In each case of loss covered by this ADDENDUM PART 1 PROPERTY, the **Pool** will be liable only if the **Member** sustains a loss in a single **Occurrence** greater than the underlying limit or the applicable deductible specified below, and only for its share of that greater amount.

**a.      All Perils Other Than FLOOD:**

(i)      COVERED PROPERTY, other than **Mobile Equipment** and **Vehicles**, Davis County \$100,000 and all other Members \$500.

(ii)     **Mobile Equipment** \$500.

(iii)    **Vehicles** \$1,000.

**b.      FLOOD**

Property consisting of **Vehicles** and **Mobile Equipment** shall not be subject to the **Special Flood Hazard Area** deductible detailed below.

As respects **COVERED** PROPERTY wholly or partially situated in a **Special Flood Hazard Zone For Flood Area**, the following deductibles shall apply separately for loss from the peril of **Flood**, as covered and defined under the National Flood Insurance Program:

- (i) For all coverages covered under this PART 1 PROPERTY, if the **Member** purchases coverage from the National Flood Insurance Program, the deductible shall be the greater of the amount recoverable from the National Flood Insurance Program or the **Actual Cash Value**, not to exceed \$500,000. This deductible shall apply for each building or each structure for real property, and for contents at each building or each structure. ~~For all coverages covered against under this ADDENDUM, the deductible shall be deemed to be the maximum Limit(s) of Insurance which the MEMBER could have purchased for the eligible PROPERTY under the National Flood Insurance Program, whether purchased or not. Such deductibles shall apply and be totaled as if individual policy(ies) for buildings and personal property could have been purchased from the National Flood Insurance Program and shall apply to those buildings where FLOOD damage or destruction has occurred and for which CLAIM is being sought.~~
- (ii) For all coverages covered under this PART 1 PROPERTY, if the **Member** does not purchase coverage from the National Flood Insurance Program, or the property is not eligible for coverage from the National Flood Insurance Program, or in the event the National Flood Insurance Program lapses or is discontinued, the deductible shall be \$500,000 at each building or each structure for real property, \$500,000 for contents at each building or each structure, and \$500,000 each for any other **COVERED** PROPERTY. ~~For all coverages covered against, under this ADDENDUM at LOCATIONS not eligible for coverage under the National Flood Insurance Program, or in the event the National Flood Insurance Program is discontinued, the deductible shall be \$500,000 per building or structure and \$500,000 for contents at each building or structure.~~
- (iii) If the community is participating in the Emergency Program under the National Flood Insurance Program, \$500,000 as noted within paragraph (i) above is replaced with \$100,000. If the **COVERED** PROPERTY is eligible for coverage in the Emergency Program, \$500,000 as noted within paragraph (ii) above is replaced with \$100,000.

However, these deductibles shall not apply to **COVERED** PROPERTY located outside of an area designated as a **Special Flood Hazard Area** nor to ensuing physical loss, or damage or destruction not otherwise excluded herein. Further, the deductibles described under paragraphs (i), (ii), and (iii) above shall apply individually and supersede the "two or more deductible provision" under the Application of Multiple Deductibles of this PART 1 PROPERTY. However, these deductibles shall not apply to ~~COVERED~~ PROPERTY located outside of an area designated as a ~~SPECIAL HAZARD ZONE FOR FLOOD~~ nor to ensuing physical loss, or

~~damage or destruction not otherwise excluded herein. Further, the deductibles described under paragraph (A) and (B) above shall apply individually and supersede the “two or more deductibles provision” under the Deductible Conditions of this ADDENDUM.~~

~~For all coverages covered against, in the event that the MEMBER maintains underlying insurance through the National Flood Insurance Program (NFIP), it is agreed that this ADDENDUM shall be excess over the recovery under such National Flood Insurance Policy(ies). Should the amount of loss payable under such National Flood Insurance Policy(ies) exceed the applicable FLOOD deductible under this ADDENDUM, then no deductible shall apply hereunder. However, if the amount to be paid under such National Flood Insurance Policy(ies) is less than the applicable FLOOD deductible under this ADDENDUM, then the amount to be deducted hereunder shall not exceed the difference between the amount to be paid under the MEMBER’s National Flood Insurance Policy(ies) and the applicable FLOOD deductible under this ADDENDUM absent this clause. Insurance maintained through the National Flood Insurance Program shall be considered underlying insurance.~~

For all other FLOOD losses, the deductible shall be \$1,000.

~~c. — All Other Perils~~

~~As respects losses from any other peril, a \$500 deductible per Occurrence for all LOCATIONS, and coverages, combined shall apply, except AUTOMOBILE physical damage, a \$1,000 per Occurrence shall apply.~~

c. Application of Multiple Deductibles:

In the event of any **Occurrence** resulting in loss or damage covered under this ADDENDUM PART 1 PROPERTY for which two or more deductibles apply, the total deductible shall not exceed the single largest deductible applicable to the **Occurrence**.

However, in any **Occurrence** where loss or damage is caused by more than one peril covered under this ADDENDUM PART 1 PROPERTY, the COVERED PARTY shall have the right to separate the loss amount by peril for the purposes of application of the deductible(s) ~~specified in this Section~~, notwithstanding the above reference to two or more deductibles.

~~8. — REFERENCES AND APPLICATION~~

~~The following terms(s) wherever used in this ADDENDUM means:~~

- ~~a. — “NAMED STORM” is defined as all loss or damage occurring during a period of 72 consecutive hours which is caused by or results from a storm or weather disturbance which is named as a Tropical Storm or Hurricane by the National Weather Service or any other recognized meteorological authority. Storm or weather disturbance includes all weather phenomenon associated with or occurring in conjunction with the storm or~~



~~weather disturbance, including, but not limited to FLOOD, storm surge, wind driven rain, wind, hail, sleet, tornadoes, hurricane or lightning.~~

- ~~b. —“SPECIAL HAZARD ZONE FOR FLOOD” is defined as areas in which the covered PROPERTY is located and which at the time of direct physical loss, damage or destruction has been designated on a **Flood Insurance Rate Map** published by the Federal Insurance Administration to be a **Special Flood Hazard Area**.~~

~~In areas where the National Flood Insurance Program is not in effect, any area which in the past 100 years has been subject to flooding where the covered PROPERTY is located regardless of whether:~~

- ~~(i) —The building or structure existed at the time of the flooding; or~~  
~~(ii) —Any direct physical loss or damage from FLOOD occurred; or~~  
~~(iii) —Any FLOOD CLAIM for loss was ever filed;~~

~~shall also be designated as a SPECIAL HAZARD ZONE FOR FLOOD.~~

- ~~e. —“FEDERAL INSURANCE MITIGATION ADMINISTRATION” shall mean the federal entity within FEMA that directly administers the National Flood Insurance Program (NFIP).~~

- ~~d. —“FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)” shall mean the federal agency under which the National Flood Insurance Program is administered.~~

- ~~e. —“FLOOD INSURANCE RATE MAP (FIRM)” shall mean the official map of a community on which the administrator has designated the special hazards area applicable to the community.~~

- ~~f. —“SPECIAL FLOOD HAZARD AREA (SFHA)” shall mean the areas of a **Flood Insurance Rate Map** which the FIRM identifies as Zones A, AO, AH, A1-30, AE, A99, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V, V1-30, and VE. For purposes of determining which areas qualify as SPECIAL FLOOD HAZARD AREAS as specified above, only those **Flood Insurance Rate Maps** which were in effect at the time of the FLOOD loss shall apply.~~

- ~~g. —“TIME ELEMENT VALUE” shall be the sum of **Gross Earnings**, Extra Expense, Leasehold Interests, Rental Insurance and Commissions, Profits & Royalties that would have been earned for the LOCATION(s) where the physical loss or damage occurs, had there not been physical loss or damage.~~

9. **PROPERTY COVERAGE TERRITORY**~~TERRITORY~~

This ~~PART 1 PROPERTY~~ADDENDUM covers COVERED ~~LOCATION~~s-PROPERTY in The United States of America and Canada.

## SECTION B PROPERTY DAMAGE

### 1. ~~Property Covered~~COVERED PROPERTY(IES)

This ~~ADDENDUM~~PART 1 PROPERTY covers the following property, unless otherwise excluded elsewhere in this ~~ADDENDUM~~PART 1 PROPERTY, anywhere within the ~~policy-territory~~PROPERTY COVERAGE TERRITORY, to the extent of the interest of the **Member** in such property.

- a. Real property, including but not limited to buildings, remodeling, installations and ~~additions under construction at any new or existing~~ LOCATION(s), in which the **Member** has an insurable interest.
- b. PERSONAL PROPERTY:
  - (i) Owned by the **Member**, including the **Member's** interest as a tenant in improvements and betterments. In the event of physical loss or damage, the **Pool** agrees to accept and consider the **Member** as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary;
  - (ii) Of officers and employees of the **Member** other than Mobile Equipment and Vehicles at or within 100 feet of a real property covered above in 1.a. while such property is being held or used for the benefit of the **Member** with the **Member's** knowledge and consent;
  - (iii) Of others in the **Member's** custody to the extent the **Member** is under obligation to keep insured for physical loss or damage covered by this ~~ADDENDUM~~PART 1 PROPERTY; or
  - (iv) Of others in the **Member's** custody to the extent of the **Member's** legal liability for physical loss or damage to personal property. The **Pool** will defend that portion of any SUIT against the **Member** that alleges such liability and seeks DAMAGES for such covered physical loss or damage. The **Pool** may, without prejudice, investigate, negotiate and settle any such CLAIM or SUIT as the **Pool** deems expedient.
  - (v) ~~Equipment, towers,~~ Mobile Equipment, Vehicles, Unmanned Aircraft Systems, and watercraft owned or leased by the **Member**.
  - (vi) ~~Motor vehicles~~ Mobile Equipment and Vehicles owned, leased, borrowed or rented by employees, officers and authorized volunteers or their family members, when such **Vehicles** are being used for the benefit of the **Member** and with the **Member's** knowledge and consent, limited to the amount of any physical damage deductible under the owner's ~~Vehicle insurance~~ policy, not to exceed five hundred dollars per **Occurrence**.

~~PERSONAL PROPERTY is covered anywhere within the ADDENDUM Territory.~~

This ~~ADDENDUM PART 1 PROPERTY~~ also ~~insures covers~~ the interest of contractors and subcontractors in COVERED PROPERTY during construction at a ~~covered-  
LOCATIONCOVERED PROPERTY~~, to the extent of the Member's legal liability to insure physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any TIME ELEMENT coverage provided under this ~~ADDENDUM PART 1  
PROPERTY~~.

## 2. PROPERTY EXCLUDED

This ~~ADDENDUM PART 1 PROPERTY~~ excludes:

- a. Currency, money, precious metal in bullion form, notes, or securities.
- b. Land, water or any other substance in or on land; except this exclusion does not apply to loss or damage caused by or resulting from a Defined Peril for the following items:
  - (i) Land improvements consisting of landscaping including trees and shrubs, ~~pedestrian or golf cart pavements~~, tunnels and bridges, ~~parking lots~~ airport runways, dams (including earthen dams), piers, docks, pilings, bulkheads, wharves, piping, and retaining walls, but not including any land beneath such property. ~~Landscaping coverage is provided for loss or damage caused by or resulting from EARTHQUAKE, explosion, falling aircraft, fire, FLOOD, hail, lightning, NAMED STORM, smoke, tornado, vehicle impact, wind driven water and windstorm.~~
  - (ii) Pavements, sidewalks, parking lots, and culverts at a COVERED PROPERTY but not including roadways, highways, and streets.
  - (iii) Athletic fields including necessary materials, fill, and substrate beneath such fields.
  - (iv) Water that is contained within any enclosed tank, piping system or any other processing equipment.
- c. Animals (except ANIMALS HELD FOR RESEARCH), ~~standing timber or growing crops.~~
- d. ~~Watercraft greater than 27 feet or aircraft, except when unfueled and manufactured by the MEMBER; s~~Spacecraft ~~or,~~ satellites, ~~or aircraft except Unmanned Aircraft Systems.~~
- e. Underground mines, mineshafts or caverns or any property within such mine, shaft or cavern.
- f. Canals, offshore drilling rigs, or reservoirs.

- g. ~~Property in transit unless otherwise described in this ADDENDUM. This exclusion does not apply to property transported by the MEMBER in a MOBILE EQUIPMENT owned or leased while operated by the MEMBER.~~
- h. Property sold by the **Member** under conditional sale, trust agreement, installment plan or other DEFERRED PAYMENT plan after delivery to customers except as provided by the DEFERRED PAYMENT Coverage of this ~~ADDENDUM~~ PART 1 PROPERTY.
- i. Overhead transmission and distribution lines located more than one mile from a COVERED PROPERTY.
- j. Standing timber, growing crops, sod, grass, or greens and tees at golf courses.
- k. Roadways, ~~bridges and tunnels~~ highways, and streets designed or used for vehicular travel, including guardrails and road signs; ~~except this exclusion does not apply to bridges which are specifically scheduled.~~
- l. Equipment used to produce power or gas for distribution to third parties.
- m. Davis County Event Center including all real property and personal property used to maintain or service the building.

### 3. ADDITIONAL COVERAGES

This ~~ADDENDUM~~ PART 1 PROPERTY includes the following ADDITIONAL COVERAGES for physical loss or damage covered by this **Addendum**. These ADDITIONAL COVERAGES are subject to the applicable limit of liability, will not increase the **Pool's** limit of liability, and are subject to the ~~ADDENDUM~~ PART 1 PROPERTY provisions, including applicable exclusions and deductibles; all as shown in this Section and elsewhere in this ~~ADDENDUM~~ PART 1 PROPERTY.

#### a. ACCOUNTS RECEIVABLE

This ~~ADDENDUM~~ PART 1 PROPERTY covers any shortage in the collection of ACCOUNTS RECEIVABLE, resulting from covered physical loss or damage to ACCOUNTS RECEIVABLE records while anywhere within ~~this the PROPERTY COVERAGE TERRITORY~~ ADDENDUM's Territory, including while in transit. The **Pool** will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such loss or damage. Unearned interest and service charges on DEFERRED PAYMENT accounts and **Normal** credit losses on bad debts will be deducted in determining the recovery.

- (i) In the event of loss to ACCOUNTS RECEIVABLE Records, the **Member** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding ACCOUNTS RECEIVABLE.

(ii) The **Member** agrees to use any suitable property or service:

(A) Owned or controlled by the **Member**; or

(B) Obtainable from other sources;

in reducing the loss under this ~~ACCOUNTS RECEIVABLE Coverage~~Additional Coverage.

(iii) This ~~ADDENDUM~~PART 1 PROPERTY covers any other necessary and reasonable costs incurred to reduce the loss; to the extent the losses are reduced.

(iv) If it is possible to reconstruct ACCOUNTS RECEIVABLE records so that no shortage is sustained, the **Pool** will be liable only for the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct such records, and not for any costs covered by any other insurance or coverage.

(v) ACCOUNTS RECEIVABLE Exclusions: The following exclusions are in addition to the Exclusions clause of this Section and the General Exclusions of this **Addendum**:

(A) Bookkeeping, accounting or billing ERRORS OR OMISSIONS; or

(B) Alteration, falsification, manipulation; or

(C) Concealment, destruction or disposal;

of ACCOUNTS RECEIVABLE records under (B) and (C) committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

(vi) The settlement of loss will be made within 90 days from the date of physical loss or damage. All amounts recovered by the **Member** on outstanding ACCOUNTS RECEIVABLE on the date of loss will belong and be paid to the **Pool** up to the amount of loss paid by the **Pool**. All recoveries exceeding the amount paid will belong to the **Member**.

**b. ANIMALS USED FOR RESEARCH**

This **Addendum** covers ~~insured~~covered physical loss or damage to ANIMALS USED FOR RESEARCH.

As respects ANIMALS USED FOR RESEARCH, the following additional exclusions apply: This **Addendum** excludes the following unless directly resulting from other physical damage not excluded by this **Addendum**:

- (i) Death, destruction, or injury ~~form~~from natural causes.
- (ii) Escape.
- (iii) Sickness, disease, infection, infestation or illness.
- (iv) Error or Omission in processing and/or failure on the part of the **Member** to provide nourishment, medicine or sanitary conditions.
- (v) Contamination of animals, food or medicine.

**c. AUTOMATIC COVERAGE ~~(NEWLY ACQUIRED)~~**

This ~~ADDENDUM PART 1 PROPERTY~~ covers COVERED PROPERTY ~~including equipment, towers and vehicles, at any LOCATION~~ rented, leased ~~or,~~ purchased, ~~or newly constructed~~ by the **Member** after the inception date of this ~~ADDENDUM PART 1 PROPERTY~~ and within the ~~PROPERTY COVERAGE TERRITORY~~ADDENDUM Territory.

This ~~Additional~~ AUTOMATIC COVERAGE does not apply to:

- (i) PROPERTY IN THE COURSE OF CONSTRUCTION;
- (ii) Property covered under ERRORS AND OMISSIONS; or
- (iii) Property insured in whole or in part by any insurance policy.

This coverage will apply until the date the COVERED PROPERTY is reported to the **Pool** or 120 days from the date of acquisition or completion of construction, whichever comes first. ~~whichever of the following occurs first:~~

~~The LOCATION is reported and scheduled by the POOL;~~

~~120 days has passed from the date of rental, lease or purchase.~~

**d. BRANDS AND LABELS**

If branded or labeled property covered by this **Addendum** is physically damaged and the **Pool** elects to take all or any part of that property, the **Member** may at the **Pool's** expense:

- (i) Stamp "salvage" on the PROPERTY or its containers; or
- (ii) Remove or obliterate the brands or labels; if doing so will not damage the property.

In either event, the **Member** must re-label such property or its containers to be in compliance

with any applicable law.

e. CLAIM PREPARATION FEES AND EXPENSES

This PART 1 PROPERTY covers the actual costs incurred by the **Member**, of reasonable fees payable to the **Member's** accountants, architects, auditors, engineers, or other professionals and the cost of using the **Member's** employees, for producing and certifying any particulars or details contained in the **Member's** books or documents, or such other proofs, information or evidence required by the **Pool** resulting from a covered loss payable under this PART 1 PROPERTY for which the **Pool** has accepted liability.

Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them.

f. CONSEQUENTIAL REDUCTION IN VALUE

This **Addendum** covers the reduction in value of covered merchandise that is a part of pairs, sets or components, directly resulting from physical loss or damage covered by this **Addendum** to other covered parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, the **Member** will surrender the undamaged parts of such merchandise to the **Pool**.

g. DEBRIS REMOVAL

This **Addendum** covers the reasonable and necessary costs incurred to remove debris from a COVERED ~~LOCATION-PROPERTY~~ that remains as a direct result of physical loss or damage covered by this **Addendum**.

This ~~DEBRIS REMOVAL~~**Additional** Coverage does not cover the costs of removal of:

- (i) Contaminated uncovered property; or
- (ii) The contaminant in or on uncovered property; whether or not the CONTAMINATION results from covered physical loss or damage. CONTAMINATION includes, but is not limited to, the presence of ~~Pollution-Pollutants~~ or hazardous material.

h. DECONTAMINATION COSTS

If COVERED PROPERTY is contaminated as a direct result of physical damage covered by this **Addendum** and there is in force at the time of the loss any law or ordinance regulating CONTAMINATION, including but not limited to the presence of ~~POLLUTION-POLLUTANTS~~ or hazardous material, then this **Addendum** covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated



COVERED PROPERTY in a manner to satisfy such law or ordinance. This Additional Coverage applies only to that part of COVERED PROPERTY so contaminated as a direct result of covered physical damage.

The **Pool** is not liable for the costs required for removing ~~neither~~ contaminated uncovered property nor the contaminant therein or thereon, whether or not the CONTAMINATION results from a covered event.

**i. DEFERRED PAYMENTS**

This **Addendum** covers covered physical loss or damage to personal property of the type covered, sold by the **Member** under a conditional sale or trust agreement or any installment or DEFERRED PAYMENT plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of loss to property sold under DEFERRED PAYMENT plans, the **Member** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.

There is no liability under this **Addendum** for loss:

- (i) Pertaining to products recalled including, but not limited to, the costs ~~of to~~ recall, test or to advertise such recall by the **Member**.
- (ii) From theft or conversion by the buyer of the property after the buyer has taken possession of such property.
- (iii) To the extent the buyer continues payments.
- (iv) Not within the PROPERTY COVERAGE TERRITORY ~~Territory of this ADDENDUM.~~

**j. ~~Earthquake~~ EARTH MOVEMENT**

This ~~ADDENDUM PART 1 PROPERTY~~ covers physical loss or damage caused by or resulting from ~~an EARTHQUAKE~~ Earth Movement.

~~This Additional Coverage does not apply to loss or damage caused by or resulting from FLOOD; rising waters; waves; tide or tidal water; the release of water; the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom, surface water or sewer back-up resulting from any of the foregoing; all regardless of any other cause or event contributing concurrently or in any other sequence to the loss.~~

~~(i) —References and Application.~~

~~The following term, wherever used, means:~~

~~“EARTHQUAKE” Any natural or man-made earth movement including, but not limited to, EARTHQUAKE, landslide, subsidence or volcanic eruption regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical damage by fire, explosion, or sprinkler leakage resulting from EARTHQUAKE will not be considered to be loss by EARTHQUAKE within the terms and conditions of this ADDENDUM. All EARTHQUAKES within a continuous 72-hour period will be considered a single EARTHQUAKE; the beginning of such period shall be determined by the MEMBER.~~

**k. ELECTRONIC DATA AND MEDIA**

This PART 1 PROPERTY covers physical loss or damage to **Electronic Data and Media** while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit.

- (i) This ELECTRONIC DATA AND MEDIA Coverage excludes loss or damage to:
  - (A) Property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the **Pool**;
  - (B) Currency, money or securities;
  - (C) Property held as samples or for sale or for delivery after sale, and
- (ii) Coverage under this ELECTRONIC DATA AND MEDIA, excludes:
  - (A) **ERRORS OR OMISSIONS** in processing, programming or copying unless physical damage not excluded by this PART 1 PROPERTY results, in which event, this coverage will cover only such resulting damage.
  - (B) **Deterioration, inherent vice, vermin or wear and tear**; all unless physical damage not excluded by this coverage results, in which event, this coverage will cover only such resulting damage.

**l. ERRORS AND OMISSIONS**

If physical loss or damage is not payable under this **Addendum** solely due to an error or unintentional omission:

- (i) In the description of where COVERED PROPERTY is physically located;
- (ii) To include any ~~LOCATION~~COVERED PROPERTY:
  - (A) Owned, rented or leased by the **Member** on the effective date of this **Addendum**; or

(B) Purchased, rented or leased by the **Member** during the term of this **Addendum**; or

(iii) That results in cancellation of the property covered under this **Addendum**;

This **Addendum** covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

This ~~ERRORS AND OMISSIONS~~~~Additional~~ Coverage does not apply to PROPERTY IN THE COURSE OF CONSTRUCTION or property covered under AUTOMATIC COVERAGE.

It is a condition of this ~~ERRORS AND OMISSIONS~~~~Additional~~ Coverage that any error or unintentional omission be reported by the **Member** to the **Pool** when discovered and corrected.

**m. EXPEDITING COSTS**

This ~~ADDENDUM~~~~PART 1 PROPERTY~~ covers the reasonable and necessary costs incurred to pay for the temporary repair of covered damage to COVERED PROPERTY and to expedite the permanent repair or replacement of such damaged property.

This ~~Additional~~~~EXPEDITING COSTS~~ Coverage does not cover costs:

(i) Recoverable elsewhere in this ~~PART 1 PROPERTY~~~~ADDENDUM~~; or

(ii) Of permanent repair or replacement of damaged property.

**n. FINE ARTS**

This ~~PART 1 PROPERTY~~~~ADDENDUM~~ covers physical loss or damage to **Fine Arts** articles while anywhere within ~~this the PROPERTY COVERAGE TERRITORY~~~~ADDENDUM's Territory~~, including while in transit.

(i) This ~~additional~~~~FINE ARTS~~ Coverage excludes loss or damage if the FINE ARTS cannot be replaced with other of like kind and quality, unless it is specifically declared to the **Pool**.

(ii) The exclusions in the Exclusions clause of this Section do not apply to FINE ARTS coverage except for: 4.a.(i); 4.a.(ii); 4.b.(i); 4.b.(ii); 4.b.(iii)(A); and 4.b.(iv).

(iii) This ~~PART 1 PROPERTY~~~~ADDENDUM~~ does not cover:

(A) Deterioration, wear and tear or inherent vice;

(B) Loss or damage from any repairing, restoration or retouching process.

- (iv) **Fine Arts** objects, pairs or sets over \$10,000 in value or any collection of **Fine Arts** over \$250,000 at any one LOCATION COVERED PROPERTY must be scheduled and are sublimited to the reported value, but do not increase the Aggregate per **Occurrence** sublimit shown in the Limits of Coverage.

~~References and Application.~~

~~The following term, wherever used, means:~~

~~“FINE ARTS” are paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar PROPERTY of rarity, historical value, or artistic merit excluding AUTOMOBILES, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, MONEY, SECURITIES.~~

**o. FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES**

This ~~ADDENDUM~~ PART 1 PROPERTY covers the following expenses resulting from a covered loss:

- (i) Fire brigade charges and any extinguishing expenses that the **Member** incurs;
- (ii) Loss and disposal of the fire extinguishing materials expended.

**p. FLOOD**

This ~~ADDENDUM~~ PART 1 PROPERTY covers physical loss or damage caused by or resulting from FLOOD.

~~(i) —References and Application~~

~~The following terms wherever used in this ADDENDUM mean:~~

~~The term “FLOOD” shall mean:~~

- ~~(A) —A general and temporary condition of partial or complete inundation of normally dry land areas from:~~

- ~~• —FLOOD, or rising waters, waves, tide or tidal water;~~
- ~~• —The unusual and rapid accumulation or runoff of surface waters from any source; or~~
- ~~• —Mudslide or mud flow caused by accumulation of water on or under the ground.~~

- ~~(B) —The release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray there from.~~

~~(C) — Surface water or water that backs up or flows from a sewer, drain or sump.~~

~~However, physical damage by fire, explosion or sprinkler leakage resulting from FLOOD is not considered to be loss by FLOOD within the terms and conditions of this ADDENDUM.~~

**q. ~~DEMOLITION AND~~ INCREASED COST OF CONSTRUCTION**

(i) This **Addendum** covers the reasonable and necessary costs incurred, described in Item (iii) below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures at a COVERED ~~LOCATION~~PROPERTY, provided:

(A) Such law or ordinance is in force on the date of covered physical loss or damage; and

(B) Its enforcement is a direct result of such covered physical loss or damage; and

(ii) This ~~Additional~~INCREASED COST OF CONSTRUCTION Coverage does not cover any loss due to any law or ordinance with which the **Member** should have complied before the loss.

(iii) This ~~Additional~~INCREASED COST OF CONSTRUCTION Coverage, as respects the COVERED PROPERTY covered in Item (i) above, covers:

(A) The cost to repair or rebuild the physically damaged portion of such COVERED PROPERTY with materials and in a manner to satisfy such law or ordinance; and

(B) The cost:

(1) To demolish the physically undamaged portion of such COVERED PROPERTY covered; and

(2) To rebuild it with materials and in a manner to satisfy such law or ordinance; to the extent that such costs result when the total demolition of the physically damaged COVERED PROPERTY is required to satisfy such law or ordinance.

(iv) This ~~Additional~~INCREASED COST OF CONSTRUCTION Coverage excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of CONTAMINATION including but not limited to the presence of POLLUTION-POLLUTANTS or hazardous material.

(v) The **Pool's** maximum liability for this ~~Additional~~INCREASED COST OF CONSTRUCTION Coverage at each COVERED ~~LOCATION~~PROPERTY in any **Occurrence** will not exceed the actual cost incurred in demolishing the physically undamaged portion of the COVERED PROPERTY covered in Item (i) above plus the

lesser of:

- (A) The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or
- (B) The cost of rebuilding on the same site.

r. LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL

This ~~ADDENDUM~~ PART 1 PROPERTY covers the reasonable and necessary cost for the cleanup, removal and disposal of contaminants or POLLUTANTS from property not covered consisting of land, including water or any other substance in land, and water on land, at the COVERED ~~LOCATION~~ PROPERTY if the release, discharge or dispersal of contaminants or POLLUTANTS is a direct result of covered physical loss or damage to COVERED PROPERTY.

This ~~PART 1 PROPERTY~~ ADDENDUM does not cover the cost to cleanup, remove and dispose of contaminants or POLLUTANTS from such property:

- (i) At any ~~LOCATION~~ COVERED PROPERTY covered for PERSONAL PROPERTY only; or
- (ii) ~~At any PROPERTY covered under Automatic Coverage, Errors and Omissions or MISCELLANEOUS UNNAMED LOCATIONS coverage provided by this ADDENDUM; or~~
- (iii) When the **Member** fails to give written notice of loss to the **Pool** within 180 days after inception of the loss.

~~“POLLUTION” definition shall be any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, bacteria, fungi, virus, mold, spores, vaccines and waste. Waste includes materials to be recycled, reconditioned or reclaimed.~~

s. MISCELLANEOUS UNNAMED ~~LOCATIONS~~ PROPERTY

This ~~ADDENDUM~~ PART 1 PROPERTY covers ~~a the~~ **Member’s** interest in COVERED PROPERTY within the PROPERTY COVERAGE TERRITORY, at any LOCATION that which is not specifically on file, identified, or scheduled by the **Pool**. No coverage is provided under this ~~provision~~ MISCELLANEOUS UNNAMED PROPERTY on property while waterborne.

This MISCELLANEOUS UNNAMED PROPERTY ~~provision~~ does not cover any property covered or excluded under any other item of this ~~ADDENDUM~~ PART 1 PROPERTY.

t. Mobile Medical Equipment

~~This ADDENDUM covers physical loss or damage to Medical Equipment contained in Mobile Medical Care Vans, Ambulances, Mobile MRI, CAT scan or other similar mobile units owned or operated by the MEMBER.~~

**u. Professional Fees**

~~This ADDENDUM covers the actual costs incurred by the MEMBER, of reasonable fees payable to the MEMBER's accountants, architects, auditors, engineers, or other professionals and the cost of using the MEMBER's employees, for producing and certifying any particulars or details contained in the MEMBER's books or documents, or such other proofs, information or evidence required by the POOL resulting from covered loss payable under this ADDENDUM for which the POOL has accepted liability.~~

~~Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them.~~

**t. PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS**

~~This PART 1 PROPERTY covers projects in the course of construction. This ADDENDUM covers projects in the Course of Construction, at scheduled LOCATIONS and Non-Scheduled LOCATIONS, subject to the "Total Project Value" not to exceed the Sublimit shown in the Limits of Coverage clause of the Declarations Section at project inception. Projects in excess of that amount are subject to prior approval and must be specifically scheduled for coverage to apply.~~

~~This **PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS Additional Coverage** does not apply to any project that the **Member** has agreed to waive subrogation rights against any other party for damage to the project.~~

~~This **PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS Additional Coverage** also covers the necessary **Soft Costs** incurred by the MEMBER during the Period of Recovery and directly caused by physical loss or damage of the type covered to real or **PERSONAL PROPERTY** of the type covered which is in the course of construction, including those at new sites and Non-Scheduled LOCATIONS subject to the "Total Project Value" not to exceed the Sublimit shown in the Limits of Liability clause of the Declarations Section.~~

~~This coverage will apply until whichever of the following occurs first:~~

- ~~(i) — The LOCATION is bound by the POOL;~~
- ~~(ii) — The Time Limit shown in the Limits of Coverage clause in the Declarations has been reached. The Time Limit begins on the date of rental, lease or purchase.~~



~~(iii) — References and Application:~~

~~The following term, wherever used in this ADDENDUM, means:~~

~~“SOFT COSTS”:~~

~~(A) — Interest expense~~

~~(B) — General overhead developer expenses and additional real estate taxes~~

~~(C) — Legal or professional fees~~

~~(D) — Marketing expenses and advertising expenses;~~

~~(E) — Debt service payments and insurance premiums~~

~~(F) — Refinancing charges and bond interest~~

~~Founders fees and miscellaneous operating expenses~~

u. PROTECTION AND PRESERVATION OF PROPERTY

This ~~ADDENDUM~~ PART 1 PROPERTY covers:

- (i) Reasonable and necessary costs incurred for actions to temporarily protect or preserve COVERED PROPERTY, provided such actions are necessary due to actual, or to prevent immediately impending, covered physical loss or damage to such COVERED PROPERTY.
- (ii) Reasonable and necessary:
  - (A) Fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the COVERED PROPERTY;
  - (B) Costs incurred of restoring and recharging fire protection systems following a covered loss; and
  - (C) Costs incurred for the water used for fighting a fire in, on or exposing the COVERED PROPERTY.

This PROTECTION AND PRESERVATION OF PROPERTY ~~Additional Coverage~~ is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

v. SERVICE INTERRUPTION PROPERTY DAMAGE

- (i) This ~~ADDENDUM PART 1 PROPERTY~~ covers physical loss or damage to COVERED PROPERTY ~~at a COVERED LOCATION~~ when such physical loss or damage results from the interruption of the specified incoming or outgoing services consisting of electricity, telecommunications, gas, fuel, steam, water, refrigeration or from the lack of incoming or outgoing sewerage service by reason of physical loss or damage of the type covered to real and PERSONAL PROPERTY of the type covered to the facilities of the supplier of such service located within ~~this the PROPERTY COVERAGE TERRITORY ADDENDUM's Territory~~, that immediately prevents in whole or in part the delivery of such usable service. ~~For purposes of this coverage, COVERED LOCATIONS includes Transmission Facilities, and Transmission and Distribution Lines except those lines in excess of one statute mile from a COVERED LOCATION.~~
- (ii) This SERVICE INTERRUPTION PROPERTY DAMAGE Additional Coverage will apply when the **Period of Service Interruption** is in excess of the time shown as **Waiting Period** in the WAITING PERIOD clause of the SECTION A DECLARATIONS ~~Declarations Section~~.
- (iii) Additional General Provisions:
  - (A) The **Member** will immediately notify the suppliers of services of any interruption of such services.
  - (B) The **Pool** will not be liable if the interruption of such services is caused directly or indirectly by the failure of the **Member** to comply with the terms and conditions of any contracts the **Member** has for the supply of such specified services.

~~(iv) — References and Application:~~

~~The following term wherever used means:~~

~~Period of Interruption: The period starting with the time when an interruption of specific services occurs and ending when, with due diligence and dispatch, the service could be wholly restored.~~

**w. Tax Treatment of Profits**

~~This ADDENDUM is extended to cover the increased tax liability from a Covered Loss at a COVERED LOCATION if the tax treatment of:~~

- ~~(i) — The profit portion of a loss payment under this ADDENDUM involving finished stock manufactured by the MEMBER; and/or~~
- ~~(ii) — The profit portion of a Time Element loss payment under this ADDENDUM; is greater than the tax treatment of profits that would have been incurred had no loss occurred.~~

x. ~~Temporary Removal of Property~~

~~(i) When covered PROPERTY is removed from a COVERED LOCATION for the purpose of being repaired or serviced or in order to avoid threatened physical loss or damage of the type covered by this ADDENDUM, this ADDENDUM covers such PROPERTY:~~

~~(A) While at the LOCATION to which such PROPERTY has been moved; and~~

~~(B) For physical loss or damage as provided at the COVERED LOCATION from which such PROPERTY was removed.~~

~~(ii) This Additional Coverage does not apply to PROPERTY:~~

~~(A) Covered, in whole or in part, elsewhere in this ADDENDUM;~~

~~(B) Covered, in whole or in part, by any other insurance policy or coverage agreement; or~~

~~(C) Removed for normal storage, processing or preparation for sale or delivery.~~

w. TERRORISM

This PART 1 PROPERTY covers physical loss or damage caused by or resulting from Terrorism.

x. TRANSIT

(i) This ~~ADDENDUM~~ PART 1 PROPERTY covers the following COVERED PROPERTY within the PROPERTY COVERAGE TERRITORY ~~Territory of this ADDENDUM,~~ PERSONAL PROPERTY, except as excluded by this ~~ADDENDUM~~ PART 1 PROPERTY, while in transit:

(A) Owned by the **Member** within the PROPERTY COVERAGE TERRITORY ~~Territory of this ADDENDUM.~~

(B) Shipped to customers under F.O.B., C&F or similar terms. The **Member's** contingent interest in such shipments is admitted.

(C) Of others in the actual or constructive custody of the **Member** to the extent of the **Member's** interest or legal liability.

(D) Of others sold by the **Member** that the **Member** has agreed prior to the loss to cover during course of delivery.

(ii) This ~~Additional~~ TRANSIT Coverage excludes:

- (A) Samples in the custody of salespeople or selling agents.
- (B) Property covered under import or export ocean marine insurance.
- (C) Waterborne shipments, unless:
  - (1) By inland water; or
  - (2) By coastal shipments.
- (D) Airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.
- (E) Property of others, including the **Member's** legal liability for it, hauled on vehicles owned, leased or operated by the **Member** when acting as a common or contract carrier.
- (F) Any transporting vehicle.
- (G) Property shipped between continents, except by land or air between Europe and Asia.

(iii) Coverage Attachment and Duration

- (A) This ~~Additional~~ TRANSIT Coverage covers from the time the property leaves the original point of shipment for transit until the property arrives at destination.
- (B) However, coverage on export shipments not covered under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not covered under ocean cargo policies begins after discharge from overseas vessels or aircraft.

(iv) This ~~Additional~~ TRANSIT Coverage:

- (A) Covers general average and salvage charges on shipments covered while waterborne.
- (B) Covers physical loss or damage caused by or resulting from:
  - (1) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts;
  - (2) Improper parties having gained possession of property through fraud or deceit.
- (v) The exclusions in the Exclusion clause of this Section do not apply to TRANSIT coverage except for; 4.a.(i) through 4.a.(iv), 4.b.(i) through 4.b.(iv), 4.c.(i), 4.c.(iii), 4.c.(v), 4.c. (vi), 4.d.(i) and 4.d.(ii).

(vi) Additional General Provisions

(A) This ~~Additional~~ TRANSIT Coverage will not inure directly or indirectly to the benefit of any carrier or Bailee.

(B) The **Member** has permission, without prejudicing this coverage, to accept:

(1) Ordinary bills of lading used by carrier;

(2) Released bills of lading;

(3) Undervalued bills of lading; and

(4) Shipping or messenger receipts.

(C) The **Member** may waive subrogation against ~~all~~ railroads under sidetrack agreements.

Except as otherwise stated, the **Member** will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

y. ~~Unscheduled Tunnels, Bridges, Airport Runways and DAMS~~

~~This ADDENDUM covers physical loss or damage to Unscheduled Tunnels and Bridges used for vehicular traffic, Airport Runways and DAMs, except earthen DAMs, except that this coverage does not apply:~~

~~(i) For the peril of EARTHQUAKE; and~~

~~(ii) FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) and/or OFFICE OF EMERGENCY MANAGEMENT (OEM) declared disasters.~~

y. VALUABLE PAPERS AND RECORDS ~~AND EDP MEDIA~~

This ~~ADDENDUM PART 1 PROPERTY~~ covers physical loss or damage to VALUABLE PAPERS AND RECORDS and EDP MEDIA while anywhere within the PROPERTY COVERAGE TERRITORY ~~Covered Territory~~, including while in transit.

(i) This VALUABLE PAPERS AND RECORDS ~~Additional~~ Coverage excludes loss or damage to:

(A) Property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the **Pool**;

(B) Currency, money or securities; and

- (C) Property held as samples or for sale or for delivery after sale.
- (ii) VALUABLE PAPERS AND RECORDS ~~and EDP MEDIA~~ Exclusions: The exclusions in the Exclusions clause of this Section do not apply to VALUABLE PAPERS AND RECORDS ~~and EDP MEDIA coverage~~ except for: 4.a.(i) and 4.b.(i) to 4.b.(iv). In addition, as respects VALUABLE PAPERS AND RECORDS ~~and EDP MEDIA~~ the following exclusions apply:

This **Addendum** does not cover:

- (A) ERRORS OR OMISSIONS in processing, programming or copying unless physical damage not excluded by this ADDENDUM PART 1 PROPERTY results, in which event, this coverage will cover only such resulting damage.
- (B) Deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this coverage results, in which event, this coverage will cover only such resulting damage.
- (iii) ~~References and Application.~~

~~The following terms, wherever used in this ADDENDUM, means;~~

~~“VALUABLE PAPERS AND RECORDS” written, printed or otherwise inscribed documents, SECURITIES, and records including but not limited to books, maps, films, drawings, abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or SECURITIES.~~

~~“ELECTRONIC DATA PROCESSING SYSTEMS” shall include, but not be limited to, transferring equipment, COMPUTER SYSTEMS, telecommunications systems or electronic control equipment and component parts.~~

~~“EDP MEDIA” all forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.~~

#### 4. Exclusions

The following exclusions apply unless specifically stated elsewhere in this ADDENDUM PART 1 PROPERTY or by endorsement amendment hereto.

- a. This PART 1 PROPERTY ADDENDUM excludes:
- (i) Indirect or remote loss or damage.

- (ii) Interruption of business; except to the extent provided by this PART 1 PROPERTYADDENDUM.
- (iii) Loss of market or loss of use.
- (iv) Loss or damage or deterioration arising from any delay.
- (v) Mysterious disappearance, loss or shortage disclosed on taking inventory for which the loss can be proven solely on the inventory records, or any unexplained loss.
- (vi) Loss from enforcement of any law or ordinance:
  - (A) Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
  - (B) Requiring the demolition of any property, including the cost in removing its debris;

except as provided by the DEBRIS REMOVAL, DECONTAMINATION COSTS and ~~Demolition and~~ INCREASED COST OF CONSTRUCTION coverages of the PROPERTY DAMAGE Section of this PART 1 PROPERTYADDENDUM.

- (vii) Loss from the accumulated effects of smog, smoke, vapor, liquid and dust.

**b.** This PART 1 PROPERTYADDENDUM excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not covered under this PART 1 PROPERTYADDENDUM, contributing concurrently or in any other sequence to the loss:

- (i) Nuclear reaction or nuclear radiation or radioactive contamination. However:
  - (A) If physical damage by fire or sprinkler leakage results, then only that resulting damage is covered; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.
  - (B) This PART 1 PROPERTYADDENDUM does cover physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the COVERED ~~LOCATION~~PROPERTY, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the COVERED PROPERTY~~LOCATION~~.

- (ii) Hostile or warlike action in time of peace or war, including:

- (A) Action in hindering, combating or defending against an actual, impending or expected attack by any:~~War or Military Action including~~



- (1) Government or sovereign power (de jure or de facto; or
- (2) Military, naval or air force; Warlike action by a military force, including action hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Agent or authority of any party specified in (i) or (ii) above~~Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.~~
- (B) Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
- (C) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event,
- (D) Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
- (E) Risks of contraband, or illegal transportation or trade.
- (iii) Any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:
  - (A) By a **Member** or any proprietor, partner, director, trustee, officer, or employee of a **Member**; or
  - (B) By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by a **Member** to do anything in connection with property covered under this PART 1 PROPERTYADDENDUM.

This PART 1 PROPERTYADDENDUM does cover acts of direct covered physical damage intentionally caused by an employee of a **Member** or any individual specified in (B) above and done without the knowledge of the **Member**. In no event does this PART 1 PROPERTYADDENDUM cover loss by theft by any individual specified in (A) or (B) above.

- (iv) Lack of the following services:
  - (A) incoming or outgoing electricity, fuel, water, gas, steam, refrigerant;
  - (B) incoming or outgoing sewerage;
  - (C) incoming or outgoing ~~voice, data or video~~telecommunications;

all when caused by an **Occurrence** off the COVERED ~~LOCATION~~PROPERTY, except as provided in SERVICE INTERRUPTION in the PROPERTY DAMAGE or TIME ELEMENT Section of this PART 1 PROPERTY ADDENDUM. But, if the lack of such a service directly causes physical damage covered by this PART 1 PROPERTY ADDENDUM on the COVERED PROPERTY~~LOCATION~~, then only that resulting damage is covered.

(v) The unlawful possession, use, release, discharge, dispersal or disposal of any chemical or similar agent or matter regardless of who is responsible for the act and whether war has been declared or not, and regardless of any other cause or event contributing concurrently or in any other sequence thereto.

c. This PART 1 PROPERTY ADDENDUM excludes the following, but, if physical damage not excluded by this PART 1 PROPERTY ADDENDUM results, then only that resulting damage is covered:

(i) Faulty workmanship, material, construction or design from any cause.

(ii) Loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.

(iii) Deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.

(iv) Settling, cracking, shrinking, bulging, or expansion of foundations (including any pedestal, pad, platform or other property supporting machinery), floors, pavements, walls, ceilings or roofs.

(v) ~~Damage caused by:~~ Changes of temperature damage (except to machinery or equipment); or changes in relative humidity damage; all whether atmospheric or not.

(vi) Insect, animal or vermin damage, except damage to Mobile Equipment and Vehicles.

d. This PART 1 PROPERTY ADDENDUM excludes the following unless directly resulting from other physical damage not excluded by this PART 1 PROPERTY ADDENDUM:

(i) Contamination including but not limited to the presence of ~~Pollution~~Pollutants or hazardous material;~~and.~~

(ii) Shrinkage, changes in color, flavor, texture or finish.

(iii) ~~Fungus, mold or mildew~~Asbestos material defects, treatment, abatements or removal.

e. This PART 1 PROPERTY ADDENDUM excludes the following, but, if physical damage

results from a **Defined Peril**, then only that resulting damage is covered. ~~Defined Peril shall mean: fire, lightning, EARTHQUAKE, explosion, falling aircraft, FLOOD, smoke, vehicle impact, NAMED STORM, wind driven water, hail, windstorm, and tornado.~~

- (i) Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility, including but not limited to Computer Virus. Computer Virus shall mean a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to “Trojan Horses”, “worms”, and “time or logic bombs”.
- (ii) Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set.
- (iii) Loss of use or functionality whether partial or entire of data, coding, program, software, ~~and any~~ computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the **Member** to conduct business.
- (iv) The failure of any of the following, whether owned by you or others:
  - (A) Data processing equipment, software, data, or media;
  - (B) Hardware or software based computer operating systems;
  - (C) Microprocessors;
  - (D) Integrated circuits; or
  - (E) Any other electronic equipment, computerized equipment, or similar devices;due to the inability of these items to correctly recognize, process, or accept one or more dates or times as their true calendar date or time.
- (v) ~~The POOL shall not be liable for any loss or damage in the form of, caused by, arising out of, contributed to, or resulting from fungus~~Fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast:
  - (A) Fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
  - (B) Mold(s) includes, but is not limited to, any superficial growth produced on damp or

decaying organic matter or on living organisms, and fungi that produce mold(s);

- (C) Spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms.

## SECTION C TIME ELEMENT

### 1. LOSS COVERED

- a. This ~~PART 1 PROPERTY ADDENDUM~~ covers TIME ELEMENT loss, as provided in the TIME ELEMENT coverage, directly resulting from physical loss or damage of the type covered by this ~~PART 1 PROPERTY ADDENDUM~~:
- (i) To property described elsewhere in this ~~PART 1 PROPERTY ADDENDUM~~ and not otherwise excluded by this ~~PART 1 PROPERTY ADDENDUM~~ or otherwise limited in the TIME ELEMENT COVERAGES below; and
  - (ii) Used by the **Member**, or for which the **Member** has contracted use; and
  - (iii) Located at a COVERED ~~LOCATION-PROPERTY~~ or in the case of PERSONAL PROPERTY within the ~~PROPERTY COVERAGE TERRITORY~~~~covered Territory~~; and
  - (iv) While in transit as provided by this ~~PART 1 PROPERTY ADDENDUM~~; and
  - (v) During the Periods of Coverage described in this Section.
- b. This ~~PART 1 PROPERTY ADDENDUM~~ covers TIME ELEMENT loss only to the extent it cannot be reduced through:
- (i) The use of any property or service owned or controlled by the **Member**;
  - (ii) The use of any property or service obtainable from other sources;
  - (iii) Working extra time or overtime; or
  - (iv) The use of inventory;

~~Time-Element loss~~all whether at a COVERED ~~LOCATION-PROPERTY~~ or at any other ~~location property~~. The **Pool** reserves the right to take into consideration the combined operating results of all associated, affiliated or subsidiary entities of the **Member** in determining the TIME ELEMENT loss.

- c. This ~~PART 1 PROPERTY ADDENDUM~~ covers expenses reasonably and necessarily incurred by the **Member** to reduce the loss otherwise payable under this Section of this

~~PART 1 PROPERTY~~**ADDENDUM**. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.

- d. Except as respects LEASEHOLD INTEREST, in determining the amount of loss payable, the **Pool** will consider the experience of the business before and after and the probable experience during the PERIOD OF ~~COVERAGELIABILITY~~.

## 2. TIME ELEMENT COVERAGES

### a. GROSS EARNINGS

#### (i) Measurement of Loss:

- (A) The recoverable GROSS EARNINGS loss is the actual loss sustained by the **Member** of the following during the PERIOD OF ~~LIABILITY~~**COVERAGELIABILITY**:

#### (1) **Gross Earnings** including **Ordinary Payroll**;

- (2) Less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;

- (3) Plus, all other earnings derived from the operation of the business.

- (B) In determining the indemnity payable as the actual loss sustained, the **Pool** will consider the continuation of only those **Normal** charges and expenses that would have been earned had no interruption of production or suspension of business operations or services occurred.

- (C) There is recovery hereunder only to the extent that the **Member** is:

- (1) Wholly or partially prevented from producing goods or continuing business operations or services;

- (2) Unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;

- (3) Unable to continue such operations or services during the PERIOD OF ~~LIABILITY~~**COVERAGELIABILITY**; and

- (4) Able to demonstrate a loss of sales for the services or production prevented.

- (D) ~~References and Application.~~

~~The following terms mean:~~

~~GROSS EARNINGS, as used in item 2. a. (i) (A):~~

~~(1) — For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production;~~

~~(2) — For mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the MEMBER.~~

~~ORDINARY PAYROLL, as used in item 2. a. (i) (A):~~

~~ORDINARY PAYROLL includes the MEMBER's payroll for all employees except officers, executives, department managers, and employees under contract. It is comprised of, but not limited to, the payroll, benefits paid for the payroll, social security (FICA), union dues paid for the payroll, and workers compensation paid for the payroll.~~

~~Any amount recovered under PROPERTY DAMAGE coverage at selling price for loss or damage to merchandise will be considered to have been sold to the MEMBER'S regular customers and will be credited against net sales.~~

**b. EXTRA EXPENSE**

*(i)* Measurement of Loss:

The recoverable Extra Expense loss will be the reasonable and necessary extra costs incurred by the **Member** of the following during the PERIOD OF LIABILITY COVERAGE:

*(A)* Extra expenses to temporarily continue as nearly **Normal** as practicable the conduct of the **Member's** business; and

*(B)* Extra costs of temporarily using property or facilities of the **Member** or others;

less any value remaining at the end of the PERIOD OF LIABILITY COVERAGE for property obtained in connection with the above.

*(ii)* EXTRA EXPENSE Exclusions: As respects EXTRA EXPENSE, the following are also excluded:

*(A)* Any loss of income.

*(B)* Costs that normally would have been incurred in conducting the business during the same period had no physical loss or damage occurred.

*(C)* Cost of permanent repair or replacement of property that has been damaged or destroyed.

(D) Any expense recoverable elsewhere in this PART 1 PROPERTY ADDENDUM.

~~(iii) —References and Application~~

~~The following term means:~~

~~“NORMAL” the condition that would have existed had no physical loss or damage occurred.~~

c. LEASEHOLD INTEREST

(i) Measurement of Loss: The recoverable LEASEHOLD INTEREST loss is as follows:

(A) If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.

(B) If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the **Lease Interest** for the first three months following the loss; and the **Net Lease Interest** for the remaining unexpired term of the lease.

~~(ii) —References and Application~~

~~The following terms mean:~~

~~“LEASE INTEREST” the excess rent paid for the same or similar replacement PROPERTY over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the MEMBER’s lease.~~

~~“NET LEASE INTEREST” that sum which placed at three percent interest rate compounded annually would equal the LEASE INTEREST (less any amounts otherwise payable hereunder).~~

(ii) LEASEHOLD INTEREST Exclusions: As respects to LEASEHOLD INTEREST, the TIME ELEMENT Exclusions a. b. and c. do not apply and the following applies instead:

This ADDENDUM PART 1 PROPERTY does not cover any increase in loss resulting from the suspension, lapse or cancellation of any license, or from the **Member** exercising an option to cancel the lease; or from any act or omission of the **Member** that constitutes a default under the lease.

In addition, there is no coverage for the **Member’s** loss of LEASEHOLD INTEREST directly resulting from damage to PERSONAL PROPERTY.

d. RENTAL COVERAGE



- (i) Measurement of Loss: The recoverable RENTAL COVERAGE loss is the actual loss sustained by the **Member** of the following during the PERIOD OF COVERAGELIABILITY:
  - (A) The fair rental value of any portion of the property occupied by the **Member**;
  - (B) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
  - (C) The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss;

all not to include noncontinuing charges and expenses.

- (ii) RENTAL COVERAGE Exclusions: As respects RENTAL COVERAGE, TIME ELEMENT Exclusion a. does not apply and the following applies instead:

This **Addendum** does not cover any loss of rental income during any period in which the MEMBER COVERED PROPERTY would not have been tenantable for any reason other than a covered loss.

**e. CONTINGENT TAX REVENUE INTERRUPTION (EXCLUDING EARTHQUAKE, ~~NAMED STORM,~~ AND FLOOD)**

This PART 1 PROPERTY ADDENDUM covers against loss resulting directly from necessary interruption of sales, property or other tax revenue collected by or due the **Member** caused by damage, or destruction by a peril not excluded from this PART 1 PROPERTY ADDENDUM to property which is not operated by the **Member** and which wholly or partially prevents the generation of revenue for the account of the **Member**.

- (i) In the event of such damage or destruction, the **Pool** shall cover, with limitations as indicated, if the following conditions (A) and (B) are both met:
  - (A) The total revenue is reduced to less than 97.5% of the **Member's** anticipated revenue had no loss occurred.
  - (B) The **Pool** shall cover the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property commencing with the date of damage to the contributing property.

~~If the MEMBER has reported Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:~~

- ~~(i) The amount declared;~~

~~(ii) The actual loss sustained;~~

~~(iii) The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after loss.~~

~~If the MEMBER has not reported Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:  
The ADDENDUM sublimit;~~

~~The latest values for these items declared by the MEMBER making the CLAIM or \$100,000 per OCCURRENCE if no values have been declared by the MEMBER making the CLAIM.~~

(ii) Deductible: Each loss or series of losses arising out of one event at each LOCATION shall be adjusted separately and from the aggregated amount of all such losses 2.5% of the annual revenue value shall be deducted.

### 3. TIME ELEMENT COVERAGE EXTENSIONS

#### a. CONTINGENT ~~BUSINESS INTERRUPTION~~GROSS EARNINGS AND EXTRA EXPENSE

This ~~ADDENDUM~~PART 1 PROPERTY covers the actual loss sustained and EXTRA EXPENSE incurred by the **Member** during the PERIOD OF ~~COVERAGE~~LIABILITY:

(i) Directly resulting from physical loss or damage of the type covered; and

(ii) To property of the type covered,

at direct supplier or customer locations located within the PROPERTY COVERAGE TERRITORY~~Territory of this ADDENDUM.~~

The term “supplier or customer” does not include any company supplying to or receiving from the COVERED ~~LOCATION~~PROPERTY, as described elsewhere in this ~~ADDENDUM~~PART 1 PROPERTY, electricity, fuel, gas, water, steam, refrigeration, sewage or telecommunications.

#### b. EXTENDED PERIOD OF ~~COVERAGE~~INDEMNITY

The GROSS EARNINGS and RENTAL COVERAGE coverages are extended to cover the reduction in sales resulting from:

(i) The interruption of business as covered by **Gross Earnings**;

(ii) For such additional length of time as would be required with the exercise of due diligence and dispatch to restore the **Member’s** business to the condition that would have existed

had no loss occurred; and

(iii) The loss of rental income or rental value as covered by RENTAL COVERAGE;

commencing with the date on which the coverage for loss resulting from interruption of business would terminate if this Extension had not been included herein.

EXTENDED PERIOD OF ~~COVERAGE INDEMNITY~~ Exclusions: As respects EXTENDED PERIOD OF ~~INDEMNITY COVERAGE~~, the TIME ELEMENT Exclusion for increase in loss due to suspension, lapse of any lease, contract or license or order does not apply.

This ~~ADDENDUM PART 1 PROPERTY~~ does not cover against any increase in loss due to fines or damages for breach of contract or for late or non-completion of orders, or penalties of any nature.

Coverage under this Extension for the reduction in sales due to contract cancellation will be limited to only those sales that would have been earned under the contract during the EXTENDED PERIOD OF ~~INDEMNITY COVERAGE~~.

Coverage under this extension does not apply for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the ~~SECTION A~~ ~~DECLARATIONS~~ ~~Declarations Section~~.

**c. INGRESS/EGRESS**

This ~~PART 1 PROPERTY ADDENDUM~~ covers the actual loss sustained and Extra Expense incurred by the **Member** due to the necessary interruption of the **Member's** business due to prevention of ingress to or egress from a COVERED ~~LOCATION PROPERTY~~, provided that such prevention is a direct result of physical damage of the type covered by this ~~PART 1 PROPERTY ADDENDUM~~, to the kind of property not excluded by this ~~PART 1 PROPERTY ADDENDUM~~, and which is located within five (5) statute miles of the COVERED ~~LOCATION PROPERTY~~ incurring loss.

INGRESS/EGRESS Exclusions: As respects INGRESS/EGRESS, the following exclusions are applicable:

This ~~PART 1 PROPERTY ADDENDUM~~ does not cover loss resulting from:

- (i) Lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and telecommunications.
- (ii) Picketing or other action by strikers except for physical damage not excluded by this ~~PART 1 PROPERTY ADDENDUM~~.

This ~~PART 1 PROPERTY~~~~ADDENDUM~~ does not provide coverage under this extension for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the ~~SECTION A DECLARATIONS~~~~Declarations Section~~.

d. INTERRUPTION BY CIVIL AUTHORITY

This ~~PART 1 PROPERTY~~~~ADDENDUM~~ covers the actual loss sustained and Extra Expense incurred by the **Member** during the PERIOD OF ~~COVERAGE~~~~LIABILITY~~, ~~not exceeding thirty (30) consecutive calendar days~~, when access to COVERED ~~LOCATIONS~~~~PROPERTIES~~ is specifically prohibited by order of civil authority, provided such order is a direct result of actual loss or damage from a peril covered under this ~~PART 1 PROPERTY~~~~ADDENDUM~~ to property of the type covered under this ~~PART 1 PROPERTY~~~~ADDENDUM~~ which is located within five (5) statute miles of the COVERED ~~LOCATION~~~~PROPERTY~~ to which access is prohibited. ~~This PART 1 PROPERTY does not provide coverage under this extension for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the SECTION A DECLARATIONS~~ The POOL shall not be liable under this extension for more than amounts shown in the Limits of Coverage clause of the ~~Declarations Section~~.

~~All CLAIMs under this extension for loss, damage or expense arising out of one "OCCURRENCE" shall be adjusted as one loss.~~

e. On Premises Services

This ~~ADDENDUM~~~~PART 1 PROPERTY~~ covers the actual loss sustained by the **Member** during the PERIOD OF ~~COVERAGE~~~~LIABILITY~~ directly resulting from physical loss or damage of the type covered to the following property located on the **Member's** PREMISES:

- (i) Electrical and telecommunications equipment.
- (ii) Electrical, telecommunications, fuel, gas, water, steam, refrigeration and sewerage transmission lines.

f. ~~PATIENT~~EVACUATION EXPENSE

In the case of actual or imminent loss or damage of the type covered against by this ~~PART 1~~~~PROPERTY~~~~ADDENDUM~~, or a MANDATORY EVACUATION ORDER, this ~~PART 1~~~~PROPERTY~~~~ADDENDUM~~ will ~~indemnify~~~~pay~~ the expenses incurred by the **Member** for the emergency evacuation of patients, inmates, and juvenile detainees from a COVERED ~~PROPERTY~~~~LOCATION~~.

MANDATORY EVACUATION ORDER means the first public broadcast of a compulsory evacuation made by the responsible civil authority that is specific as to the effective date, time and area affected and which arises out of a peril for which coverage would have been provided if such peril had caused loss or damage to a COVERED ~~PROPERTY~~~~LOCATION~~. The

MANDATORY EVACUATION ORDER must commence during the **Addendum** PERIOD. Recommended, advisory, precautionary, or voluntary evacuation is not included in the definition of MANDATORY EVACUATION ORDER.

This additional coverage does not apply to expenses incurred for: scheduled evacuation drills, fire or safety drills, or the evacuation of a patient due to a medical condition. This coverage also includes expenses incurred to return patients, inmates, and juvenile detainees to a COVERED PROPERTYLOCATION.

**g. PROTECTION AND PRESERVATION OF PROPERTY Time Element**

This ~~ADDENDUM PART 1 PROPERTY~~ covers the actual loss sustained by the **Member** ~~for a period of time not to exceed 24 hours prior to and 24 hours after the MEMBER first taking reasonable action~~ for the temporary PROTECTION AND PRESERVATION OF PROPERTY covered by this PART 1 PROPERTYADDENDUM provided such action is necessary to prevent immediately impending physical loss or damage covered by this PART 1 PROPERTYADDENDUM at such COVERED PROPERTY.

This extension is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

**h. ~~Related Reported Values~~**

~~If reported Time Element values include:~~

- ~~(i) LOCATIONS used by the MEMBER but not listed on a schedule under this ADDENDUM; and~~
- ~~(ii) A Time Element loss would result at such LOCATIONS;~~
- ~~(iii) From covered physical loss or damage at a COVERED LOCATION;~~

~~Then this ADDENDUM provides coverage for such resulting Time Element loss in accordance with the coverage applicable at such COVERED LOCATION.~~

**h. Research and Development**

The GROSS EARNINGS and Gross Profit coverages are extended to insure the actual loss sustained by the **Member** of continuing fixed charges and **Ordinary Payroll** directly attributable to the interruption of research and development activities that in themselves would not have produced income during the PERIOD OF COVERAGE.

The PERIOD OF COVERAGE for this TIME ELEMENT Coverage Extension will be the period from the time of direct physical loss or damage of the type covered by this PART 1 PROPERTYADDENDUM to the time when the property could be repaired or replaced and

made ready for operations under the same or equivalent physical and operating conditions that existed prior to damage.

i. Service Interruption Time Element

- (i) This ~~PART 1 PROPERTY~~ADDENDUM covers the actual loss sustained and Extra Expense incurred by the **Member** during the **Period of Service Interruption** at COVERED ~~LOCATIONS~~PROPERTY when the loss is caused by the interruption of incoming or outgoing services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of incoming or outgoing sewerage service by reason of physical loss or damage of the type covered against to real and PERSONAL PROPERTY of the type covered to the facilities of the utility supplier (~~excluding overhead transmission and distribution lines in excess of one mile from a COVERED LOCATION~~) of such service located within this PROPERTY COVERAGE TERRITORYADDENDUM's ~~Territory~~, that immediately prevents in whole or in part the delivery of such usable services.
- (ii) This extension will apply when the **Period of Service Interruption** is in excess of the time shown as **Waiting Period** in the WAITING PERIOD clause of the SECTION A DECLARATIONS~~Declarations Section~~.
- (iii) Additional General Provisions:
  - (A) The **Member** will immediately notify the suppliers of services of any interruption of such services.
  - (B) The **Pool** will not be liable if the interruption of such services is caused directly or indirectly by the failure of the **Member** to comply with the terms and conditions of any contracts the **Member** has for the supply of such specified services.
- (iv) **~~References and Application~~**

~~The following term means:~~

~~“PERIOD OF SERVICE INTERRUPTION” the period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the LOCATION receiving the service could or would have resumed NORMAL operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the Period of Coverage provision of this Section of this ADDENDUM.~~

- (A) ~~The PERIOD OF SERVICE INTERRUPTION is limited to only those hours during which the MEMBER would or could have used services(s) if it had been available.~~

- (B) ~~The PERIOD OF SERVICE INTERRUPTION does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).~~

#### 4. PERIOD OF ~~COVERAGE~~LIABILITY

- a. The PERIOD OF ~~COVERAGE~~LIABILITY applying to all TIME ELEMENT COVERAGES, except ~~Gross Profit and~~ LEASEHOLD INTEREST and as shown below, or if otherwise provided under the TIME ELEMENT COVERAGE EXTENSIONS, is as follows:

- (i) For building and equipment, the period:

- (A) Starting from the time of physical loss or damage of the type covered against; and

- (B) Ending when with due diligence and dispatch the building and equipment could be:

- (1) Repaired or replaced; and

- (2) Made ready for operations;

under the same or equivalent physical and operating conditions that existed prior to the damage.

- (C) ~~Not to be limited by the expiration of this ADDENDUM.~~

- (ii) For building and equipment under construction:

- (A) The equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and

- (B) Due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.

- (iii) For stock-in-process and mercantile stock, including finished goods not manufactured by the **Member**, the time required with the exercise of due diligence and dispatch:

- (A) To restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and

- (B) To replace physically damaged mercantile stock.

This item does not apply to Rental Coverage.



- (iv) For raw materials and supplies, the period of time:
  - (A) Of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but
  - (B) Limited to that period for which the damaged raw material and supplies would have supplied operating needs.
- (v) If water:
  - (A) Used for any manufacturing purpose, including but not limited to as a raw material or for power;
  - (B) Stored behind dams or in reservoirs; and
  - (C) ~~On~~ At any COVERED ~~LOCATION~~ PROPERTY;

is released as the result of physical damage of the type covered under this PART 1 PROPERTY ADDENDUM to such dam, reservoir or connected equipment, the **Pool's** liability due to inadequate water supply is limited to 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

This item does not apply to RENTAL COVERAGE.

- (vi) For physically damaged exposed film, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to RENTAL COVERAGE.

- (vii) For physically damaged or destroyed data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, the time to recreate or restore including the time for researching or engineering lost information.

This item does not apply to RENTAL COVERAGE.

- (viii) If an order of civil authority prohibits access to the COVERED ~~LOCATION~~ PROPERTY and provided such order is the direct result of physical damage of the type covered against under this PART 1 PROPERTY ADDENDUM at the COVERED ~~PROPERTY~~ LOCATION or within five statute miles of it, the period of time:

- (A) Starting at the time of physical damage; but
  - (B) Not to exceed 30 consecutive days.
- b. The PERIOD OF ~~COVERAGE-LIABILITY~~ does not include any additional time due to the **Member's** inability to resume operations for any reason, including but not limited to:
- (i) Making changes to equipment.
  - (ii) Making changes to the buildings or structures except as provided in the ~~Demolition and-~~ INCREASED COST OF CONSTRUCTION provision.
  - (iii) Re-staffing or retraining employees.
- If two or more PERIODS OF ~~COVERAGE-LIABILITY~~ apply such periods will not be cumulative.

## 5. TIME ELEMENT EXCLUSIONS

In addition to exclusion elsewhere in this ~~PART 1 PROPERTY ADDENDUM~~, the following exclusions apply to Time Element loss:

This ~~PART 1 PROPERTY ADDENDUM~~ does not cover:

- a. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:
  - (i) Physical loss or damage not covered by this ~~PART 1 PROPERTY ADDENDUM~~ on or off of the COVERED ~~LOCATION~~ PROPERTY.
  - (ii) Planned or rescheduled shutdown.
  - (iii) Strikes or other work stoppage.
  - (iv) Any other reason other than physical loss or damage covered by this PART 1 ~~PROPERTY ADDENDUM~~.
- b. Any increase in loss due to:
  - (i) Suspension, cancellation or lapse of any lease, contract, license or orders; or
  - (ii) Fines or damages for breach of contract or for late or noncompletion of orders; or

- (iii) For penalties of any nature; or
- (iv) Any other consequential or remote loss.
- c. Any loss resulting from loss or damage to finished goods manufactured by the **Member**, nor the time required for their reproduction.

## SECTION D LOSS ADJUSTMENT AND SETTLEMENT

### 1. LOSS ADJUSTMENTS/PAYABLE

Loss, if any, will be adjusted with and payable to the **Member** or as may be directed by the **Member**, to a lender, mortgagee and/or loss payee as their interests may appear in a contract entered into with the **Member** prior to loss.

### 2. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency of the United States of America.

### 3. VALUATION

Adjustment of the physical damage loss amount under this PART 1 PROPERTY ADDENDUM will be computed as of the date of loss at the ~~location of the loss~~ COVERED PROPERTY, and for no more than the interest of the **Member**, subject to the following:

- a. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- b. On finished goods manufactured by the **Member**, the regular cash selling price at the ~~location~~ COVERED PROPERTY where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- c. On raw materials, supplies and other merchandise not manufactured by the **Member**:
  - (i) If repaired or replaced, the actual ~~expense~~ expenditure incurred in repairing or replacing the damaged or destroyed property; or
  - (ii) If not repaired or replaced, the **Actual Cash Value**.
- d. On property covered under DEFERRED PAYMENTS, the lesser of the:
  - (i) Total amount of unpaid installments less finance charges;
  - (ii) **Actual Cash Value** of the property at the time of loss; or

- (iii) Cost to repair or replace with material of like size, kind and quality.
- e. On **Fine Arts** articles, the lesser of:
  - (i) The reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss;
  - (ii) Cost to replace the article; or
  - (iii) ~~The value, if any, stated on a schedule on file with the POOL~~ Current market value at the time of loss.

In the event a **Fine Arts** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the **Pool** will cover the lesser of the full value of such pair or set or the amount designated on the schedule. The **Member** agrees to surrender the pair or set to the **Pool**.

- f. On VALUABLE PAPERS AND RECORDS and ~~EDP Media~~ ELECTRONIC DATA AND MEDIA:

On data, programs or software stored on electronic, electro-mechanical, or electro-magnetic data processing or production equipment:

- (i) The cost to repair, replace or restore data, programs or software including the costs to recreate, research and engineer;
- (ii) If not repaired, replaced or restored within two years from the date of loss, the blank value of the media.

- g. On all other VALUABLE PAPERS AND RECORDS and ELECTRONIC DATA AND MEDIA~~EDP MEDIA~~, the lesser of the following:

- (i) The cost to repair or restore, including the cost to recreate, research and engineer the item to the condition that existed immediately prior to the loss;

- (ii) The cost to replace the item; ~~or~~

- ~~(iii) The amount designated for the item on the Schedule on file with the POOL.~~

- h. On **Mobile Equipment**, watercraft, and ~~AUTOMOBILES~~ Vehicles:

- (i) The lesser of the **Actual Cash Value** at the time of loss or the cost to repair or replace.

- (ii) If owned by the Member and less than or equal to two years from December 31 of the

model year, the lesser of the cost to repair or replace the property with new property of like kind and quality at the time of loss.

(iii) If not repaired or replaced within two years from the date of loss, the **Actual Cash Value**.

i. On ~~historical~~ **REPRODUCTION COST** PROPERTY, valuation will be based upon the following requirements:

(i) To qualify as a REPRODUCTION COST PROPERTY, the ~~The~~ **Member** shall provide written notice to the **Pool**, which specifically identifies where the property is located, when it was built, its total square footage with an attached appraisal based upon reproduction value that was conducted within the past five years.

(ii) At the time of loss, the basis of valuation for ~~historical~~ **REPRODUCTION COST** PROPERTY, when the **Member** has not complied, will be **Replacement Cost** as ~~defined described~~ in ~~k1~~ below. Where the **Member** has complied with the requirements, the basis of valuation will be **Reproduction Cost**, or if not replaced, at **Actual Cash Value**.-  
~~“Reproduction Cost” is defined as the cost to repair, rebuild or replace with material of like kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the PROPERTY as nearly as possible to its original condition.~~

j. On property in transit:

(i) Property shipped to or for the account of the **Member** will be valued at actual invoice to the **Member**. Included in the value are accrued costs and charges legally due. Charges may include the **Member’s** commission as selling agent.

(ii) Property sold by the **Member** and shipped to or for the purchaser’s account will be valued at the **Member’s** selling invoice amount. Prepaid or advanced freight costs are included.

(iii) Property not under invoice will be valued:

~~(A) For PROPERTY of the MEMBER, at the valuation provisions of this ADDENDUM applying at the location from which the PROPERTY is being transported; or~~

~~(B) For other PROPERTY,~~ at the actual cash market value at the destination point on the date of **Occurrence**, less any charges saved which would have become due and payable upon arrival at destination.

k. **On Vacant Property:**

(i) If the building or leased premises has been **Vacant** for a period of more than 90

consecutive days before the loss or damage occurs, the **Pool** will not pay for any loss or damage caused by any of the following:

- (A) Vandalism.
- (B) Sprinkler leakage.
- (C) Building glass breakage.
- (D) Water damage.
- (E) Theft, or attempted theft.
- (ii) With respect to direct physical loss or damage, other than from causes listed in (i)(A) through (i)(E) above, and not otherwise excluded by this PART 1 PROPERTY the **Pool** will reduce the amount the **Pool** would otherwise pay for the loss or damage by 15%.

I. On all other property, the loss amount will not exceed the lesser of the following:

- (i) The cost to repair;
- (ii) The cost to rebuild or replace on the same site with new materials of like size, kind and quality;
- (iii) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;
- (iv) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;
- (v) The cost to replace ~~non-un~~repairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement;
- (vi) The increased cost of demolition, if any, resulting from loss covered by this PART 1 PROPERTY ADDENDUM, if such property is scheduled for demolition;
- (vii) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the **Member's** expense; or
- (viii) The **Actual Cash Value** if such COVERED PROPERTY is:

- (A) Useless to the **Member**;
- (B) Not repaired, replaced or rebuilt on the same or another site within two years from the date of loss; or
- (C) Scheduled with the **Pool**, at **Actual Cash Value** for contribution calculation purposes.

The **Member** may elect not to repair or replace the COVERED ~~real and/or personal~~ PROPERTY lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or **Replacement Cost** basis if the proceeds of such loss settlement are expended on other capital expenditures related to the **Member's** operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at a COVERED LOCATION-PROPERTY under this PART 1 PROPERTYADDENDUM. This item does not extend to ~~Demolition and~~ INCREASED COST OF CONSTRUCTION.

- (ix) The **Pool** will not pay the full amount of any loss if the value of the COVERED PROPERTY at the time of the loss times the percentage required in the VALUE REPORTING PROVISION of this PART 1 PROPERTYADDENDUM is greater than the amount the COVERED PROPERTY is valued at on the **Pool** schedules at the time of loss. Instead, we will determine the most we will pay using the following steps:
  - (A) Multiply the value of the COVERED PROPERTY at the time of loss by the percentage required in the VALUE REPORTING PROVISION of this PART 1 PROPERTYADDENDUM;
  - (B) Divide the amount the COVERED PROPERTY was valued at on the **Pool** schedules at the time of loss by the figure determined in step (A);
  - (C) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (B); and
  - (D) Subtract the deductible from the figure determined in step (C).
  - (E) The **Pool** will pay the amount determined in step (D) or the amount the COVERED PROPERTY was valued at on the **Pool** schedules at the time of loss, whichever is less.

~~(x) —References and Application~~

~~The following term, wherever used in this ADDENDUM, means:~~

~~ACTUAL CASH VALUE: The amount it would cost to repair or replace covered PROPERTY, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.~~



#### 4. LOSS CONDITIONS

##### a. Requirements in Case of Loss

The **Member** will:

- (i) Give written notice to the **Pool** of any loss as soon as practicable.
- (ii) Protect the property from further loss or damage.
- (iii) Promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, **Actual Cash Value**, replacement value and amount of loss claimed.
- (iv) Give a signed and sworn PROOF OF LOSS to the **Pool** within 90 days after the loss, unless that time is extended in writing by the **Pool**. The PROOF OF LOSS must state the knowledge and belief of the **Member** as to:
  - (A) The time and origin of the loss;
  - (B) The **Member's** interest and that of all others in the property;
  - (C) The **Actual Cash Value** and replacement value of each item and amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property;
  - (D) Any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this PART 1 PROPERTY ADDENDUM; and
  - (E) By whom and for what purpose any LOCATION covered by this COVERED PROPERTY-ADDENDUM was occupied on the date of loss, and whether or not it then stood on leased ground.
- (v) Include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.
- (vi) Further, the **Member** will as often as may be reasonably required:
  - (A) Exhibit to any person designated by the **Pool** all that remains of any property;
  - (B) Submit to examinations under oath by any person designated by the **Pool** and sign the written records of examinations; and

(C) Produce for examination at the request of the **Pool**:

- (1) All books of accounts, business records, bills, invoices and other vouchers; or
- (2) Certified copies if originals are lost;

at such reasonable times and places that may be designated by the **Pool** or its representative and permit extracts and machine copies to be made.

**b. Pool Option**

The **Pool** has the option to take all or any part of damaged Personal Property at the agreed or appraised value. The **Pool** must give notice to the **Member** of its intention to do so within 30 days after receipt of PROOF OF LOSS.

**c. Abandonment**

There may be no abandonment of any property to the **Pool**.

**d. Subrogation**

The **Member** is required to cooperate in any subrogation proceedings. The **Pool** may require from the **Member** an assignment or other transfer of all rights of recovery against any party for the loss to the extent of the **Pool's** payment.

The **Pool** will not acquire any rights of recovery that the **Member** has expressly waived prior to a loss in writing, nor will such waiver affect the **Member's** rights under this PART 1 PROPERTY ADDENDUM except as they relate to PROPERTY UNDER THE COURSE OF CONSTRUCTION.

Any recovery from subrogation proceedings, less costs incurred by the **Pool** in such proceedings, will be payable to the **Member** in the proportion that the amount of:

- ~~(i) — any applicable deductible; and/or~~
  - ~~(ii) Any provable uncovered loss;~~
- bears to the entire provable covered loss amount.

**e. Appraisal**

The appraisal process is available to determine the value of a covered loss but is not available to determine whether a loss is covered. If the **Member** and the **Pool** fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser, but only after:

- (i) The **Member** has fully complied with all provisions of this **Addendum**, including

REQUIREMENTS IN CASE OF LOSS; and

- (ii) The **Pool** has received a signed and sworn PROOF OF LOSS from the **Member**.

Each will notify the other of the appraiser selected within 30 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days, the **Member** and the **Pool** shall jointly move to have an umpire selected by a judge of a court of record in the jurisdiction in which the appraisal is pending. The appraisers will then identify each item of physical damage or loss and appraise the amount of loss. The appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **Actual Cash Value** and **Replacement Cost** value as of the date of loss and the amount of loss, for each item of physical loss or damage or if, for TIME ELEMENT loss, the amount of loss for each TIME ELEMENT coverage of this PART 1 PROPERTY ADDENDUM.

If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall review the appraisals prepared by the appraisers selected by the **Member** and the **Pool** and shall inspect the property prior to preparing his appraisal. The appraisers for the **Member** and the **Pool** shall be afforded the opportunity to attend the umpire's inspection of the property and provide sufficient input to allow the umpire to understand the nature and reasons for the differences between the appraisals. After inspecting the property and receiving input from the appraisers, the umpire shall identify each item of physical loss or damage and shall appraise the amount of the loss for each item. The umpire's appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **Actual Cash Value** and **Replacement Cost** value as of the date of loss. An award agreed to in writing by any two of the three appraisers will determine the amount of loss. The appraisal award is subject to all terms of the **Addendum** and may be reduced by the application of a deductible called for in the ADDENDUM PART 1 PROPERTY.

The **Member** and the **Pool** will each:

- (i) Pay its chosen appraiser; and
- (ii) Bear equally the other expenses of the appraisal and umpire.

A demand for an Appraisal shall not relieve the **Member** of its continuing obligation to comply with the terms and conditions of this **Addendum**, including as provided under REQUIREMENTS IN CASE OF LOSS.

The **Pool** will not be held to have waived any of its rights by any act relating to appraisal.

f. Suit Against The **Pool**

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless the following adjudication procedures are satisfied:

- (i) As a condition precedent to filing a suit, the **Member** has fully complied with all the provisions of this **Addendum**, including providing PROOF OF LOSS;
- (ii) As a condition precedent to filing suit, the **Member** must attend at least a one-day mediation before a mutually agreeable mediator, unless this provision is waived by both the **Member** and the **Pool**;
- (iii) Any suit against the **Pool** arising from a claim or loss must be filed in accordance with the Utah Governmental Immunities Act, ~~within 12 months of the date the POOL takes its final action with respect to the claim or loss.~~

## 5. SETTLEMENT OF CLAIMS

The amount of loss for which the **Pool** may be liable will be paid in accordance with the Utah Uniform Fiscal Procedures Act. The time period for payment within the Act shall not begin until:

- a. PROOF OF LOSS as described in this **Addendum** is received by the **Pool**; and
- b. When a resolution of the amount of loss is made either by:
  - (i) Written agreement between the **Member** and the **Pool**; or
  - (ii) The filing with the **Pool** of an award as provided in the APPRAISAL provisions of this Section.

## 6. COLLECTION FROM OTHERS

The **Pool** will not be liable for any loss to the extent that the **Member** has collected such loss from others.

## 7. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a loss occurring, which has been ascertained to be a covered loss or damage under this ~~ADDENDUM PART 1 PROPERTY~~ and determined by the **Pool's** representatives to be in excess of the applicable ~~ADDENDUM PART 1 PROPERTY~~ deductible, the **Pool** will advance mutually agreed upon partial payment(s) on the covered loss or damage, subject to the **Addendum's** provisions. To obtain said partial payments, the **Member** will submit a signed and sworn PROOF OF LOSS as described in this **Addendum**, with adequate supporting documentation.

## 8. JURISDICTION

This **Addendum** will be governed by United States of America Law. Any disputes arising hereunder will be exclusively subject to United States of America jurisdiction.

## SECTION E GENERAL PROVISIONS

### 1. **ADDITIONAL ~~COVERED PARTIES~~ INTERESTS/~~CERTIFICATES~~- CERTIFICATION OF COVERAGE**

Any ~~certificate~~-certification of coverage issued in connection with this **Addendum** shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said ~~certificate~~-certification of coverage, except where any ~~Additional COVERED PARTY(ies)~~, loss payee(s) or mortgagee(s) are ~~named pursuant to the Special Provisions of identified on~~ said ~~certificate~~-certification of coverage. In the event any ~~Additional COVERED PARTY(ies) or~~ loss payee(s) ~~or mortgagee(s)~~ are so ~~named~~identified, ~~this ADDENDUM shall be deemed to have been endorsed accordingly, the Member may request the Pool make payment for loss to the loss payee(s) or mortgagee(s) interest in COVERED PROPERTY directly to loss payee(s) or mortgagee(s).~~ subject to all other terms, conditions and exclusions stated herein.

### 2. **CANCELLATION**

This **Addendum** may only be cancelled in accordance with the withdrawal and termination provisions of the Interlocal Cooperation Agreement and Bylaws of the **Pool**.

### 3. **INSPECTIONS**

The **Pool**, at all reasonable times, will be permitted, but will not have the duty, to inspect COVERED PROPERTY.

The **Pool's**:

- a. Right to make inspections;
- b. Making of inspections; or
- c. Analysis, advice or inspection report;

~~The POOL~~ will not constitute an undertaking, on behalf of or for the benefit of the **Member** or others, to determine or warrant that the COVERED PROPERTY is safe or healthful. The **Pool** will have no liability to the **Member** or any other person because of any inspection or failure to inspect.

When the **Pool** is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

#### 4. MISREPRESENTATION AND FRAUD

This **Addendum** will be void in entirety if, whether before or after a loss, a **Member** has:

- a. Willfully concealed or misrepresented any material fact or circumstance concerning this coverage, the subject thereof, any claim for coverage, or the interest of a **Member**;
- b. Made any attempt to defraud the **Pool**; or
- c. Made any false swearing.

#### 5. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

Any obligation of the **Member** to any lenders loss payee(s) and/or mortgagee(s) creates no obligation of the **Pool** to any lenders loss payee(s) and/or mortgagee(s).

~~a. The POOL will pay for loss to specified property covered under this ADDENDUM to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.~~

~~b. The interest of the Lender or Mortgagee (as the case may be) in property covered under this ADDENDUM will not be invalidated by:~~

~~(i) Any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.~~

~~(ii)(i) Foreclosure, notice of sale, or similar proceedings with respect to the property.~~

~~(iii) Change in the title or ownership of the property.~~

~~(iv) Change to a more hazardous occupancy.~~

~~The Lender or Mortgagee will notify the POOL of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the POOL, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this ADDENDUM will cease.~~

~~c. If this ADDENDUM is cancelled at the request of the MEMBER or its agent, the coverage for the interest of the Lender or Mortgagee will terminate at the date and time of cancellation, unless:~~

~~(i) Sooner terminated by authorization, consent, approval, acceptance, or ratification of the~~

~~MEMBER'S action by the Lender or Mortgagee, or its agent.~~

- ~~(ii) This ADDENDUM is replaced by the MEMBER, with a policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this ADDENDUM with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this ADDENDUM.~~
- ~~d. The POOL may cancel the interest of the Lender or Mortgagee under this ADDENDUM, by giving the Lender or Mortgagee written notice 90 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this ADDENDUM, the POOL may cancel this ADDENDUM for such non-payment, but will give the Lender or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this ADDENDUM will cease.~~
- ~~e. The POOL has the right to invoke this ADDENDUM's Suspension clause. The suspension of insurance will apply to the interest of the Lender or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The POOL will provide the Lender or Mortgagee at the last known address a copy of the suspension notice.~~
- ~~f. If the POOL pays the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the POOL will, to the extent of the payment made to the Lender or Mortgagee, be subrogated to the rights of the Lender or Mortgagee under all SECURITIES held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At its option, the POOL may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and SECURITIES will be assigned and transferred from the Lender or Mortgagee to the POOL, and the remaining debt or mortgage will be paid to the POOL.~~
- ~~g. If the MEMBER fails to render PROOF OF LOSS, the Lender or Mortgagee, upon notice of the MEMBER's failure to do so, will render PROOF OF LOSS within 60 days of notice and will be subject to the provisions of this ADDENDUM relating to Appraisal, Settlement of Claims, and Suit against the POOL.~~

~~Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this ADDENDUM by agreement in writing.~~

## 6. INSURANCE OR OTHER COVERAGE

- a. If there is any insurance or other coverage that would apply in the absence of this ~~ADDENDUM~~PART 1 PROPERTY, this ~~ADDENDUM~~PART 1 PROPERTY will apply



only after such insurance or coverage whether collectable or not. ~~However, such insurance or coverage is allowed to act as a deductible buyback including NFIP coverage for FLOOD.~~

- b. In no event will this PART 1 PROPERTY apply as contributing insurance or coverage.
- c. ~~If the~~ **The Member** ~~is permitted to have~~ has insurance or other coverage over any limits or sublimits of liability specified elsewhere in this ADDENDUM PART 1 PROPERTY ~~without prejudice to the coverage under this PART 1 PROPERTY will not be prejudiced~~ ADDENDUM. The existence of such insurance or other coverage will not reduce any limit or sublimit of liability in this PART 1 PROPERTY ADDENDUM. Any insurance or other coverage that would have provided primary coverage in the absence of this PART 1 PROPERTY ADDENDUM will not be considered excess.
- d. ~~The MEMBER is permitted to have insurance for all, or any part, of any deductible in this ADDENDUM. The existence of such other insurance will not prejudice recovery under this ADDENDUM. If the limits of liability of such other insurance are greater than this ADDENDUM'S applicable deductible, this ADDENDUM'S coverage will apply only after such insurance has been exhausted.~~
- e. ~~In If the event~~ this PART 1 PROPERTY ADDENDUM is deemed to contribute with insurance or other coverage, the limit of liability applicable at each COVERED PROPERTY LOCATION, for purposes of such contribution with other insurers or coverage providers, will be the latest amount described in this PART 1 PROPERTY ADDENDUM or the latest LOCATION COVERED PROPERTY value on file with the **Pool**.

## 7. ADDENDUM MODIFICATION

This **Addendum**, the Interlocal Cooperation Agreement, and Bylaws of the **Pool** contain all of the agreements between the **Members** concerning this coverage. ~~The A Member~~ may request changes amendments to this **Addendum**. This **Addendum** ~~can be changed only by endorsements~~ be amended in accordance with the Interlocal Cooperation Agreement and Bylaws of the Pool issued by the POOL and made part of this ADDENDUM.

Notice to any ~~agent representative of the Pool~~ or knowledge possessed by any ~~agent representative of the Pool~~ or by any other person will not:

- a. Create a waiver, or change any part of this **Addendum**; or
- b. Prevent the **Pool** from asserting any rights under the Provisions of this **Addendum**.

## 8. REDUCTION BY LOSS

Claims paid under this PART 1 PROPERTY ADDENDUM will not reduce its LIMITS OF COVERAGE, except claims paid will reduce any Annual Aggregate LIMIT OF COVERAGE.

## 9. SUSPENSION

On discovery of a dangerous condition, the **Pool** may immediately suspend Equipment Breakdown coverage on any machine, vessel or part thereof by giving written notice to the **Member**. The suspended coverage may be reinstated by the **Pool**.

## 10. TITLES

The titles in this ADDENDUM PART 1 PROPERTY are only for reference. The titles do not in any way affect the provisions of this ADDENDUM PART 1 PROPERTY.

## SECTION F REFERENCES AND APPLICATION DEFINITIONS

1. **Actual Cash Value:** the amount it would cost to repair or replace COVERED PROPERTY, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.
2. **Defined Peril: Earth Movement, explosion, falling aircraft, fire, Flood, hail, lightning, smoke, tornado, Vehicle impact, wind-driven water, and windstorm.**
3. ~~EARTHQUAKE means seismic geologic activity which causes movement in the earth's surface including loss or damage from any other cause or event that contributes concurrently or in any sequence to the loss. If more than one EARTHQUAKE shock occurs within any period of 72 hours during the term of this insurance, it is deemed to be a single EARTHQUAKE OCCURRENCE.~~ **Earthquake:** a shaking or trembling of the earth that is tectonic or seismic in origin.
4. **"EARTHQUAKE"Earth Movement:** any natural or man-made earth movement including, but not limited to **Earthquake**, landslide, subsidence or volcanic eruption regardless of any other cause or event contributing concurrently or in any other sequence of loss. ~~This definition does not include loss or damage caused by or resulting from Flood,~~ regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, physical damage by fire, explosion, or sprinkler leakage resulting from ~~EARTHQUAKE~~**Earth Movement** will not be considered to be loss by ~~EARTHQUAKE~~**Earth Movement** within the terms and conditions of this ADDENDUM PART 1 PROPERTY. All ~~EARTHQUAKE~~**Earth Movement** within a continuous 72168 hour period will be considered a single ~~EARTHQUAKE~~**Earth Movement**; the beginning of such period shall be determined by the **Member**.

5. ~~EDP-MEDIA~~ **Electronic Data and Media:** all forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.
6. **Federal Emergency Management Agency:** the federal agency under which the National Flood Insurance Program is administered.
7. **Federal Insurance Administration:** the federal entity within the Federal Emergency Management Agency that directly administers the National Flood Insurance Program (NFIP).
8. **Fine Arts:** ~~are manuscripts~~, paintings, etchings, pictures, murals, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelains, mounted animals or insects, and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities.
9. **Flood:**
  - a. A general and temporary condition of partial or complete inundation of normally dry land areas from:
    - (i) **Flood**, or rising waters, waves, tide, or tidal water;
    - (ii) The unusual and rapid accumulation or runoff of surface waters from any source; or
    - (iii) Mudslide or mud flow caused by accumulation of water on or under the ground.
  - b. The release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray therefrom.
  - c. ~~Surface water or water that backs up or flows from a sewer, drain or sump~~

However, physical damage by fire, explosion or sprinkler leakage resulting from **Flood** is not considered to be loss by **Flood** within the terms and conditions of this ADDENDUM PART 1 PROPERTY.

All flooding within a continuous 168 hour period will be considered a single **Flood**; the beginning of such period shall be determined by the **Member**.

10. **Flood Insurance Rate Map:** the official map of a community on which the administrator has designated the special hazards area applicable to the community.
11. **Gross Earnings:**

- a. For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or
  - b. For mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the **Member**.
12. **Lease Interest:** the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the **Member's** lease.
13. **Mobile Equipment:** ~~means~~ any of the following types of ~~land vehicle~~ self-propelled equipment, including any attached machinery or equipment:
- a. Bulldozers, earthmovers, tractors, diggers, farm machinery, forklifts, contractors' equipment, medical equipment, ATVs, snowmobiles, and other ~~vehicles~~ self-propelled equipment designed for use principally off public roads;
  - b. Self-propelled equipment ~~Vehicles~~ maintained for use solely on or next to **PREMISES COVERED PROPERTY** ~~the MEMBER owns or rents~~;
  - c. Self-propelled equipment ~~Vehicles~~ that travel on crawler treads;
  - d. ~~Vehicles~~ Equipment, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Trailers that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers ~~while such trailer is not attached to an AUTOMOBILE~~;
  - f. Self-propelled equipment ~~Vehicles~~ not described above which are maintained primarily for purposes other than the transportation of persons or cargo.
14. **Net Lease Interest:** that sum which placed at 3% interest rate compounded annually would equal the **Lease Interest** (less any amounts otherwise payable hereunder).
15. **Normal:** the condition that would have existed had no physical loss or damage occurred.
16. **Occurrence:** any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, volcanic eruption, riot, riot attending a

strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing PROOF OF LOSS, the Member may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the COVERED PROPERTY occurs.

17. **Ordinary Payroll:** includes the **Member's** payroll for all employees except officers, executives, department managers, and employees under contract. It is comprised of, but not limited to, the payroll, benefits paid for the payroll, social security (FICA), union dues paid for the payroll, and workers compensation paid for the payroll.
18. **Period of Service Interruption:**
  - a. The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the ~~LOCATION~~COVERED PROPERTY receiving the service could or would have resumed **Normal** operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the Period of ~~Coverage~~Liability provision of this Section of this ~~ADDENDUM~~PART 1 PROPERTY.
  - b. Is limited to only those hours during which the **Member** would or could have used services(s) if it had been available.
  - c. Does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).
19. **Pollutants:** ~~means~~ any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapors, soot, fumes, acids, ~~sounds,~~ alkalis, chemicals, vaccines and waste. ~~liquids, solids, gases, thermal POLLUTANTS, WASTE and all other irritants or contaminants.~~ Waste includes materials to be recycled, reconditioned or reclaimed. ~~However, for purposes of MEMBER coverages provided in this ADDENDUM, POLLUTANTS does not include herbicides or pesticides.~~
20. **Replacement Cost:** the amount it would cost to repair or replace COVERED PROPERTY, on the date of loss, with material of like kind and quality.
21. **Reproduction Cost:** defined as the cost to repair, rebuild or replace with material of like kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the property as nearly as possible to its original condition.
22. **Soft Costs:**
  - a. Interest expense.

- b. General overhead-developer expenses and additional real estate taxes.
  - c. Legal or professional fees.
  - d. Marketing expenses and advertising expenses.
  - e. Debt service payments and insurance premiums.
  - f. Refinancing charges and bond interest.
  - g. Founders fees and miscellaneous operating expenses.
23. **Special Flood Hazard Area:** the areas of a **Flood Insurance Rate Map** which ~~the FIRM identifies~~ are identified as Zones A, AO, AH, AI-A30, AE, A99, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V, V1-V30, and VE. For purposes of determining which areas qualify as **Special Flood Hazard Areas** as specified above, only those **Flood Insurance Rate Maps** which were in effect at the time of the **Flood** loss shall apply.
24. **Storm Surge:** water driven inland from coastal waters by high winds and low atmospheric pressure. **Storm Surge** shall not be considered **Flood**.
25. **Terrorism:** an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes. **Terrorism** shall also include any act which is verified or recognized by the United States Government as an act of **Terrorism**.
26. **Unmanned Aircraft System:** an unmanned aircraft and the equipment necessary for the safe and efficient operation of that aircraft. An unmanned aircraft is a component of an **Unmanned Aircraft System**. An unmanned aircraft is an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft.
27. **Vacant:** containing inadequate contents to perform customary business operations.
28. **Vacant Property:** a building is **Vacant** or unoccupied if less than 10% of the total square footage owned, rented, or leased by the **Member** is used by the **Member** to conduct customary operations, excluding common areas such as lobbies and garages. Buildings under construction or renovation shall not be considered **Vacant**.
29. **Valuable Papers and Records:** written, printed or otherwise inscribed documents, securities, and records including but not limited to books, maps, films, drawings, abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of

monies and/or securities.

30. **Vehicle:** any automobile, truck, van, bus, motorcycle, or other conveyance licensed for use on public roads.
31. **Waiting Period:** the time period where the **Pool** shall have no liability for the TIME ELEMENT loss when the Period of Recovery applicable to all TIME ELEMENT loss is equal to or less than such time period. If, however, the Period of Recovery exceeds such time period then the **Pool's** liability for the TIME ELEMENT loss shall otherwise apply and the Period of Recovery shall be measured from the inception of the **Occurrence** for which loss is being claimed. The applicable deductible shall then apply.



## COMMUNICABLE DISEASE EXCLUSION AMENDMENT

This amendment attaches to and forms part of PART I PROPERTY.

Notwithstanding any other provision of this **Addendum** to the contrary, the **Pool** does not cover any loss, cost, damage or expense, arising out of, attributable to, or occurring concurrently or in any sequence with a COMMUNICABLE DISEASE.

As used herein, COMMUNICABLE DISEASE means any infectious or contagious substance:

1. Including, but limited to, a virus, bacterium, parasite or other organism or any mutation thereof, whether deemed living or not; and
2. Regardless of the method of transmission, whether direct or indirect, including but not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal,

That can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to tangible or intangible property covered hereunder.

For avoidance of doubt, no coverage extension, additional coverage, global extension, exception to any exclusion or other coverage grant shall afford any coverage that would otherwise be excluded through this exclusion. For further avoidance of doubt, loss, cost, damage or expense, includes any cost to clean-up, detoxify, remove, monitor or test: (1) for a COMMUNICABLE DISEASE, or (2) any tangible or intangible property covered hereunder that is affected by such COMMUNICABLE DISEASE.

All other terms and condition of the PART 1 PROPERTY remain the same.

## ENERGY EFFICIENCY UPGRADE ~~ENDORSEMENT~~ AMENDMENT

The following Energy Efficiency Upgrade is added to the Additional Coverages of This endorsement attaches to and forms part of PART I PROPERTY Coverage Section.

The coverages and valuation provision provided by this ~~endorsement~~ amendment only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by the ADDENDUM PART 1 PROPERTY and **Replacement Cost** valuation applies. This coverage does not apply to: (1) personal property of others in the **Member's** care, custody, and control, (2) leased personal property, and/or (3) finished or unfinished stock.

~~In no event, does this endorsement increase or change the per-occurrence limit of liability shown in the Addendum or the annual aggregate for specified perils.~~

1. Notwithstanding the VALUATION ~~Provision of this Addendum~~ or LIMITS OF LIABILITY COVERAGE clauses applicable to specific ~~locations COVERED~~ PROPERTY or perils, if **Replacement Cost** valuation applies to real and/or personal property, then the **Pool's** liability for loss applicable to this ~~endorsement~~ amendment shall be the cost to repair or replace the covered damaged property, subject to the applicable LIMITS OF LIABILITY COVERAGE, plus the least of the following amounts:
  - a. The reasonable and necessary amount to upgrade the covered damaged property as described in **Coverage Section A Non-LEED® Certified Coverage** or as described in **Coverage Section B LEED® Certified Coverage**, whichever is applicable; or
  - b. An additional 25% of the applicable LIMITS OF LIABILITY COVERAGE for the COVERED PROPERTY ~~building and/or business personal property~~ shown in the Statement of Values or similar schedule to upgrade; or
  - c. The Energy Efficiency Upgrade Sublimit in SECTION A DECLARATIONS \$1,000,000- (one million dollars) to upgrade.

At the **Member's** sole discretion, the **Member** may elect not to upgrade any or all property for which upgrade coverage is provided under this ~~endorsement~~ amendment. In such case, the **Pool** will adjust the claim in accordance with the standard provisions of the PART 1 PROPERTY ADDENDUM, as modified by all other applicable ~~endorsements~~ amendments.

Subject to the least of **a.**, **b.**, or **c.** above, if ~~business interruption coverage~~ TIME ELEMENT coverage is provided as part of this PART 1 PROPERTY ADDENDUM, if necessary, the PERIOD OF RESTORATION shall be increased to allow for additional time to upgrade the damaged property plus up to an additional two-week period to meet the requirements set forth in 4.b.

## 2. Coverage Section A: NON-LEED Certified Coverage

In the event of direct physical loss or damage by any of the perils covered by the PART 1 PROPERTY ADDENDUM to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the **Pool** will pay to repair or replace damaged or destroyed:

### a. Loss Settlement for Personal Property

- (i) **Appliances** or **Office Equipment** with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply.
- (ii) **Systems Furniture** or **Seating**, with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

### b. Loss Settlement for ~~Your~~ Building

- (i) Interior Finish Materials Upgrade
- (A) Lower Emissions Products Upgrade Coverage

**Defined Building Materials** with products of like kind and quality that have **Lower Emissions**. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

### (B) Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have **Lower Emissions**, are **Sustainably Produced**, are **Rapidly Renewable** or include **Recycled Content**. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

### (ii) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads and lavatory faucets with products of like kind and quality that are more **Water Efficient**. If there are no such products available at the time of the loss, this upgrade coverage does not apply. For damaged or destroyed faucets, the **Pool** will also pay to install occupant sensors to reduce the potable water demand.

(iii) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply. The **Pool** will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(iv) Efficient Heating and Cooling Equipment Upgrade Coverage

**Heating and Cooling Equipment** with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

(v) Building Reconstruction Following Total Loss

(A) Solely with respect to a **Total Loss** to a building, the **Pool** will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify for LEED Silver certification using the LEED New Construction (LEED NC®) Rating System.

(B) Certification Expenses

(1) The **Pool** will pay the reasonable and necessary registration and certification fees charged by the United States Green Building Council (USGBC) that the **Member** incurs should the **Member** decide to seek LEED Silver certification. However, the **Pool** will not pay to modify the reconstructed structure if it is not certified.

(2) The Sublimit of coverage for ~~this coverage~~ Certification Expenses is \$25,000.

3. Coverage Section B: LEED Certified Coverage

In addition to all coverages provided in Coverage Section A (with the exception of 2.b.(v) Building Reconstruction Following a **Total Loss**) and in the event of direct physical loss or damage by any of the perils covered by the PART 1 PROPERTY ADDENDUM to a building that is LEED certified at the time of the loss, or to the personal property within such building, the **Pool** will pay to repair or replace damaged or destroyed:

a. Loss Settlement for Trees, Shrubs, and Vegetative Roofs

(i) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC®. For the purposes of this coverage only, notwithstanding any other provision of the PART 1 PROPERTY ADDENDUM to the contrary, trees and shrubs are COVERED PROPERTY. The Sublimit of coverage for this coverage is \$3,000

per tree or \$3,000 per shrub up to a maximum of \$25,000.

- (ii) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the ~~PART 1 PROPERTY ADDENDUM~~ to the contrary, vegetative roofs are COVERED PROPERTY.

**b. Loss Settlement for ~~Your~~ Building**

- (i) Recertification Expenses

- (A) In the event of direct physical loss or damage by any of the perils covered by the ~~PART 1 PROPERTY ADDENDUM~~ that necessitates recertification of the damaged building, the **Pool** will pay the reasonable and necessary registration and certification fees charged by the USGBC that the **Member** incurs as a result of the recertification process.

- (B) The Sublimit of coverage for ~~Recertification Expenses~~ ~~this coverage~~ is \$25,000.

- (ii) Building Reconstruction Following **Total Loss**

- (A) Solely with respect to a **Total Loss** to a building that is LEED certified at the time of the loss, the **Pool** will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC® Rating System.

- (B) Certification Expense

- (1) The **Pool** will pay the reasonable and necessary registration and certification fees charged by the USGBC that the **Member** incurs should the **Member** decide to seek LEED certification. However, the Pool will not pay to modify the reconstructed structure if it is not certified.

- (2) The Sublimit of coverage for ~~this coverage~~ Certification Expense is \$25,000.

**4. Coverages Included Within Coverage Sections A or B and Applicable to LEED® and NON-LEED® Certified Buildings**

In the event of direct physical loss or damage by any of the perils covered by the ~~Addendum-~~ PART 1 PROPERTY to a LEED or Non-LEED certified building:

**a. Recycling Expenses**

- (i) The **Pool** will pay the **Member's** expenses to clean-up, sort, segregate, and transport

debris from the **Member's** damaged building to recycling facilities, if such debris can be recycled.

(ii) The Sublimit of coverage for ~~this coverage~~ Recycling Expenses is \$25,000 and is in addition to the DEBRIS REMOVAL expense sublimit provided by the PART 1 PROPERTY ADDENDUM, if any.

(iii) Any income or remuneration derived from this recycling shall be used to reduce the loss.

**b. Air Testing and Outdoor Air Ventilation of the Reconstructed Space**

(i) In accordance with the requirements for the Construction IAQ Management Plan:

Before Occupancy Credit as described in the LEED NC® rating system (hereinafter, "Construction IAQ"), the **Pool** will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

(ii) After the two week period of increased outdoor air ventilation of the reconstructed space, the **Pool** will pay to replace the filtration media with new media.

(iii) The Sublimit of Coverage for Air Testing and Outdoor Air Ventilation of the Reconstructed Space ~~this coverage~~ is \$25,000.

**c. Professional Services**

The **Pool** will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

The Sublimit of coverage for this ~~coverage~~ Professional Services is \$50,000.

**d. Building Commissioning Expenses**

(i) In the event of direct physical loss or damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the PART 1 PROPERTY ADDENDUM, which necessitates the commissioning or re-commissioning of those systems, the **Pool** will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

(ii) The Sublimit of coverage for ~~this coverage~~ Building Commissioning Expenses is \$25,000.

**5. Additional Definitions**

- a. **Appliances** means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.
- b. **Defined Building Materials** means:
  - (i) All carpet and floor coverings, including, adhesives to affix them to the floor;
  - (ii) All interior paints, architectural coatings, primers, undercoatings, adhesives, sealants; and
  - (iii) Permanently installed composite wood fixtures, including, counters, cabinets, and partitions.
- c. **Energy Star** means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.
- d. **Heating And Cooling Equipment** means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces, thermostats, and ventilating fans.
- e. **Lower Emissions** means:
  - (i) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule #1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;
  - (ii) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti-corrosive and anti-rust paints, products that do not exceed the VOC content limits established in Green Seal Standard GS-03; and with respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule #1113;
  - (iii) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and
  - (iv) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea-formaldehyde resins.

- f. **Office Equipment** means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.
- g. **Recycled Content** means those products that contain at least 20% post- consumer **Recycled Content**.
- h. **Rapidly Renewable** means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.
- i. **Seating** means task and guest chairs used with SYSTEM FURNITURE.
- j. **Sustainably Produced** means those products certified by the Forest Stewardship Council ("FSC").
- k. **System Furniture** means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.
- l. **Total Loss** means:
  - (i) The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or
  - (ii) The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.
- m. **Water Efficient** means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate of no more than 2.2 gallons per minute.



## EQUIPMENT BREAKDOWN ~~ENDORSEMENT~~ AMENDMENT

This amendment's intention is to clarify that the peril of **Breakdown** is included for **Covered Equipment**.

~~BREAKDOWN shall be considered a covered peril on COVERED EQUIPMENT.~~

### 1. Limit of Coverage:

The most the **Pool** will pay for any and all coverages for loss or damage from any **One Breakdown** is the applicable Limit of Coverage shown for Equipment Breakdown in the LIMITS OF COVERAGE clause of the SECTION A DECLARATIONS.

### 2. Equipment Breakdown Coverage Extensions:

The LIMITS FOR COVERAGE extensions are part of, not in addition to, the LIMIT OF COVERAGE for Equipment Breakdown shown in the ~~submits~~ LIMITS OF COVERAGE clause of the SECTION A DECLARATIONS.

#### a. Spoilage:

(i) ~~This PART 1 PROPERTY covers. The POOL will indemnify for~~ the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:

(A) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;

(B) The **Member** must own or be legally liable under written contract for the raw materials, property in process or finished products;

(C) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

(ii) ~~This PART 1 PROPERTY also covers. The POOL will also indemnify~~ any necessary expenses the **Member** incurs to reduce the amount of loss under this coverage. The **Pool** will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage form.

#### b. Service Interruption:

~~This PART 1 PROPERTY covers. The POOL will indemnify for~~ loss resulting from the interruption of utility services provided all of the following conditions are met:

(i) The interruption is the direct result of a **Breakdown** to **Covered Equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which the **Member** receives;

(ii) The **Covered Equipment** is used to supply ~~electric power~~ electricity, ~~communication telecommunication services~~, air conditioning, heating, gas, fuel, sewer, water, refrigeration or steam to the **Member's** premises;

(iii) The Period of Service Interruption ~~The interruption of utility service to the MEMBER'S PREMISES~~ lasts at least the consecutive period of time shown ~~as the in item 9. Waiting Period~~ applying to Service Interruption. Once this **Waiting Period** is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

c. Business Income:

(i) This PART 1 PROPERTY covers ~~The POOL will indemnify~~ the **Member's** actual loss of business income that results directly from the necessary total or partial interruption of the **Member's** business caused by a **Breakdown**.

(ii) This PART 1 PROPERTY also covers ~~The POOL will indemnify~~ any necessary expenses the **Member** incurs to reduce the amount of loss under this coverage. The **Pool** will ~~indemnify pay~~ for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(iii) The **Pool** will consider the actual experience of the **Member's** business before the accident and the probable experience the **Member** would have had without the accident in determining the amount of its indemnification payment.

(iv) This coverage continues until the date the damaged property is repaired or replaced.

d. EXPEDITING COSTS:

This PART 1 PROPERTY covers ~~The POOL will indemnify~~ the reasonable and necessary costs incurred to pay for the temporary repair of **Member** damage to **Covered Equipment** and to expedite the permanent repair or replacement of such damaged property caused by a **Breakdown**.

This coverage extension does not cover costs:

(i) Recoverable elsewhere in this PART 1 PROPERTY; or

(ii) Of permanent repair or replacement of damaged property.

e. Hazardous Substance:

This PART 1 PROPERTY covers ~~The POOL will indemnify~~ any additional expenses incurred by the **Member** for the clean-up, repair or replacement or disposal of **Covered Equipment** that is damaged, contaminated or polluted by a **Hazardous Substance** caused by a **Breakdown**.

As used here, additional expenses mean the additional cost incurred over and above the amount that the **Pool** would have paid had no **Hazardous Substance** been involved with the loss.

f. Ammonia Contamination:

This PART 1 PROPERTY covers ~~The POOL will indemnify for~~ the spoilage to **Covered Equipment** contaminated by ammonia, including any salvage expense caused by a **Breakdown**.

g. Water Damage:

This PART 1 PROPERTY covers ~~The POOL will indemnify for~~ the damage to **Covered Equipment** by water including any salvage expenses caused by a **Breakdown**, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

h. Consequential Loss:

The PART 1 PROPERTY covers ~~The POOL will indemnify~~ the reduction in the value of undamaged **Stock** parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

i. Electronic Data and Media:

The PART 1 PROPERTY covers ~~The POOL will indemnify~~ the **Member's** cost to research, replace or restore damaged Electronic Data and Media including the cost to reprogram instructions used in any computer equipment if the loss is caused by a **Breakdown**.

j. CFC Refrigerants:

This PART 1 PROPERTY covers ~~The POOL will indemnify for~~ the additional cost to repair or replace **Covered Equipment** because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances if the loss is caused by a **Breakdown**. This means the additional expense to do the least expensive of the following:

- (i) Repair the damaged property and replace any lost CFC refrigerant;
- (ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or

(iii) Replace the system with one using a non-CFC refrigerant.

**k. Computer Equipment:**

This PART 1 PROPERTY covers ~~The POOL will indemnify for~~ direct damage to **Computer Equipment** that is damaged by a **Breakdown** to such equipment.

**3. Definitions relating only to this amendment:**

**a. Breakdown** means the direct physical loss resulting from one or more of the following items that causes damage to **Covered Equipment** and necessitates its repair or replacement:

- (i) Failure of pressure or vacuum equipment;
- (ii) Mechanical failure including rupture or bursting caused by centrifugal force;
- (iii) Electrical failure including arcing;
- (iv) Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- (v) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (vi) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

Unless such loss or damage is otherwise excluded within the PART 1 PROPERTY.

**Breakdown** does not mean or include:

- (i) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (ii) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to **Covered Equipment**;
- (iii) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (iv) Damage to any vacuum tube, gas tube, or brush;
- (v) Damage to any structure or foundation supporting the **Covered Equipment** or any of its

parts;

- (vi) The functioning of any safety or protective device; or
- (vii) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

**b. Covered Equipment ~~means and includes any~~ is defined as:**

- (i) Equipment built to operate under internal pressure or vacuum other than weight of contents;
- (ii) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
- (iii) Communication equipment, and computer equipment.

**Covered Equipment** does not mean or include any:

**a. MEDIA;**

- (i) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (ii) Insulating or refractory material, but not excluding the glass lining of any **Covered Equipment**;
- (iii) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or another appropriate and approved code;
- (iv) Catalyst;
- (v) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;
- (vi) Structure, foundation, cabinet or compartment supporting or containing the **Covered Equipment** or part of the **Covered Equipment** including penstock, draft tube or well casing;
- (vii) **Vehicle**, **Mobile Equipment**, aircraft, self-propelled equipment or floating vessel including any **Covered Equipment** that is mounted upon or used solely with anyone or more **Vehicle(s)**, **Mobile Equipment**, aircraft, self-propelled equipment or floating vessel;

- (viii) Dragline, excavation, or construction equipment including any **Covered Equipment** that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;
- (ix) Felt, wire screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
- (x) Equipment or any part of such equipment manufactured by the **Member** for sale; or
- (xi) Equipment used to produce power or gas for distribution to third parties.
  - a. **Hazardous Substance:** any substance other than ammonia that has been declared to be hazardous to health by a government agency. Ammonia is not considered to be a Hazardous Substance as respects this limitation.
  - b. **One Breakdown:** if an initial **Breakdown** causes other **Breakdowns**, all will be considered **One Breakdown**. All **Breakdowns** at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered **One Breakdown**.
  - c. **Computer Equipment:** COVERED PROPERTY that is electronic computer or other electronic data processing equipment, including media and peripherals used in conjunction with such equipment.
  - d. **Stock:** means merchandise held in storage or for sale, raw materials, property in process or finished products including supplies used in their packing or shipping.
  - ~~e. DATA means:~~
    - ~~(i) Programmed and recorded material stored on MEDIA; and~~
    - ~~(ii) Programming records used for ELECTRONIC DATA processing, or electronically controlled equipment.~~
  - ~~f. MEDIA means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or ELECTRONIC DATA PROCESSING EQUIPMENT.~~

## LIMITED PROFESSIONAL HEALTH CARE SERVICES **ENDORSEMENT AMENDMENT**

This endorsement attaches to and forms part of Part VII. A. General Liability.

Notwithstanding Part III. C. General Coverage Exclusions, it is understood and agreed that:

1. LIMITED PROFESSIONAL HEALTH CARE SERVICES is added to Part VII – Liability Coverage Section, ~~Addendum No. UCIP-15.01.01~~, Part A – General Liability, but only as respects coverage for the **Member** and any **Covered Party** that is a duly qualified Veterinarian, Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.
2. The following definition is added to Part VII Liability Coverage Section–Liability, A – General Liability:

LIMITED PROFESSIONAL HEALTH CARE SERVICES means **Bodily Injury** or **Personal Injury** arising out of the rendering or failure to render medical services by any **Covered Party** that is a duly qualified Veterinarian, Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

However, LIMITED PROFESSIONAL HEALTH CARE SERVICES does not include service provided by:

- a. A hospital or emergency room facility, except when provided by a qualified medical service provider listed above as part of certification or recertification training;
- b. A physician, medical doctor (except veterinarian), osteopath, chiropractor, resident, extern, or intern;
- c. A psychiatrist;
- d. A pharmacist;
- e. A dentist, orthodontist, or periodontist; and
- f. Any other licensed health care professional other than any **Covered Party** that is a duly qualified Veterinarian, Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

# **UTAH COUNTIES INDEMNITY POOL INTERNAL ACCOUNTING CONTROLS POLICY**

## **SECTION A EFFECTIVE DATE AND FREQUENCY OF REVIEW**

1. The effective date of this Internal Accounting Controls Policy is August 17, 2017.
2. This policy should be reviewed annually, but not less than every three years by the Board of Directors.
3. This policy should also be reviewed at any time that changes to laws or rules governing the internal controls of Interlocal entities are amended or recommendations are made by the UCIP CEO or CFO, which would require review and update to this policy.
4. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
5. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

## **SECTION B PURPOSE**

1. The purpose of these policies and procedures is to describe all accounting procedures currently in use at the Utah Counties Indemnity Pool (UCIP) and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; and finances are managed with accuracy, efficiency, and transparency.

## **SECTION C AUTHORITY**

1. All UCIP staff and Board of Directors, with a role in the management of fiscal and accounting operations, are expected to comply with these policies and procedures.

## **SECTION D APPLICABILITY AND SCOPE**

1. These policies and procedures apply to all financial transactions and financial reporting conducted in the scope of business of UCIP.

## **SECTION E DEFINITIONS**

1. ACH: ~~means~~ Automated Clearing House, a United States electronic payment network.
2. Board: ~~means~~ the UCIP Board of Directors.
3. CEO: the Chief Executive Officer of the Utah Counties Indemnity Pool.
4. CFO: the Chief Financial Officer of the Utah Counties Indemnity Pool.



5. FDIC: ~~means~~ Federal Deposit Insurance Corporation.
6. GRAMA: ~~means~~ the Government Records Access and Management Act.
7. I-9 form: ~~means~~ the U.S. Citizenship and Immigration Services Department of Homeland Security Employment Eligibility Verification.
8. UCIP: ~~means~~ the Utah Counties Indemnity Pool.
9. Unclaimed Property: ~~means~~ an abandoned or lost check.
10. W-4: ~~means~~ the Internal Revenue Service Employee Withholding Allowance Certificate.

## SECTION F POLICY STATEMENTS

1. UCIP will comply with the Governmental Accounting Standards Board basis of accounting.
2. UCIP will utilize appropriate separation of duties to prevent fraud.
3. UCIP operates as a joint liability reserve fund of its members and reports as a single enterprise fund.
4. UCIP will map their operational chart of accounts to the uniform chart of accounts developed by the Office of the Utah State Auditor.
5. UCIP will safeguard all assets of the Pool.
6. UCIP will comply with the Interlocal Cooperation Act—Fiscal Procedures for Interlocal Entities.

## SECTION G PROCEDURES AND RESPONSIBILITIES

### ~~Division of Fiscal and Accounting Responsibilities.~~

1. **Board of Directors**
  - a. Elects a Treasurer in accordance with the Bylaws.
  - b. Appoints ~~four~~ members of the Board to serve as the Audit Committee.
  - c. Appoints a ~~Budget Officer, a Chief Administrative Officer, a Clerk, a Deputy Treasurer, a Purchasing Agent and a Records Officer.~~
  - d. Ensure a method for reporting fraud.
  - e. Annually review a fraud risk assessment.

- f. ~~Appoints three members of the Board to be a~~Authorized signers on the bank accounts.
- g. Authorize issuance of credit cards and limit of each card as recommended by the Treasurer.
- h. ~~Reviews the Chief Executive Officer's performance annually and establishes the salary.~~
- i. ~~Reviews and~~ adopts a preliminary budget for underwriting purposes in August of each year. Reviews and adopts a tentative budget in October of each year. Identifies the resources available to arrive at a final proposed budget. Holds a public hearing on the proposed budget in December of each year. Once the public hearing is complete, formally adopts~~approves~~ the annual budget.
- j. Reviews and approves ~~all~~ vendor contracts including ratification of contracts approved by the CEO and/or CFO.
- k. Reviews and approves all expenditures and credit card transactions.
- l. Reviews ~~the annual and~~ and approves periodic financial statements~~and information.~~
- m. Reviews and approves the annual independent audit of financial statements.
- n. Assures that net asset levels are within the Net Asset Management Policy.
- o. Reviews and approves actuarial analysis of member equity, reserve adequacy and rate adequacy.
- p. ~~Reviews and advises staff on internal controls and accounting policies and procedures.~~
- q. ~~Reviews and approves~~Develop and maintain policies and procedures relating to internal accounting controls including but not limited to those policies required under the Interlocal Cooperation Agreement, Bylaws, Federal and State law: Board Compensation, Board Meeting Rules of Order and Procedure, Board Training, CEO Authority, Committees of the Board, Dividend, Electronic Meeting, GRAMA, Internal Accounting Controls, Investment, Minutes Recordings and Records, Net Asset Management, Personnel, Purchasing, Reimbursement.

## 2. Treasurer

- a. Custodian of all cash, bank accounts, credit card accounts, bonds and securities.
- b. Manages the petty cash fund
- c. Determines cash requirements.
- d. Provides for the investment of all money by following the Money Management Act.
- e. Receives all money payable, keeps an accurate record of all money received and deposits money received no later than once every three banking days.

- f. Approves/signs transfers of funds between accounts.
- g. Approves/signs checks prepared by the Clerk after verifying that a sufficient amount is on deposit in the appropriate bank account in order to honor the check.
- h. Reviews and approves a reconciliation of all accounts on a monthly basis.
- i. May appoint one or more Deputies to perform any of the above responsibilities.

### 3. **Audit Committee**

- a. Oversees the engagement of a qualified, independent audit firm to conduct an annual independent audit of UCIP in compliance with this policy and all applicable state and federal laws.
- b. Reviews with the independent auditor the *Audit Plan* prior to the examination of UCIP's financial statements and adhere to the responsibilities and role of the Committee during the audit.
- c. Reviews the professional standards requirements with the independent auditor upon the completion and issuance of the draft audit.
- d. Reviews the draft audit with the Board of Directors for compliance and conformity.
- e. Reviews audit findings and management's responses with the Board of Directors.
- f. Maintains and adheres to the responsibilities outlined in the UCIP Investment Policy.
- g. Designs and implements programs and controls to prevent and detect fraud.

### 4. Clerk

- a. Prepares the annual tentative budget and presents it to the Board of Directors. Makes the final proposed budget available to the public and gives notice of a public hearing at least seven days prior to the adoption of the final budget. Files the final budget with the State Auditor within 30 days after the final budget adoption.
- b. Monitors budget.
- c. ~~Reviews and processes~~ Processes payroll including payroll taxes and is responsible for all personnel files.
- d. ~~Overall responsibility for data entry into~~ Manage accounting system and assure integrity of accounting system data.
- e. ~~Manages ACH electronic payment forms from initiation, processing and storage to p~~ Protect the confidentiality and integrity of all payee banking the information.

- f. Reviews all incoming invoices, and requests for reimbursement by Board and staff, to ensure the expense is proper and within budget.
- g. Request Treasurer authorization of inter-account transfers necessary to pay expenditures.
- h. Processes all inter-account ~~bank~~ transfers.
- i. ~~Approves and processes~~ Process all payment of expenditures.
- j. Prepares all outgoing invoices.
- k. Enters accounts receivable for deposit.
- l. Reconciles bank statements and investments financials for approval by the ~~Chief Executive Officer~~ Treasurer.
- m. Files required Reports budget, investments and financial ~~statements-reports~~ to the Office of the Utah State Auditor.
- n. ~~Reports-Files required quarterly~~ revenues and expenses ~~quarterly~~ to the Utah Transparency website using the uniform chart of accounts for local governments ~~required-developed~~ by the Office of the Utah State Auditor.
- o. ~~Reports-Files required annual~~ compensation ~~annually-data~~ to the Utah Transparency website.
- p. Prepares all interim financial reports.
- q. Prepares year-end financial reports, management discussion and analysis and notes to financials for independent audit review.
- r. Perform an annual fraud risk assessment.
- s. Reports unclaimed property to the Utah State Treasurer Unclaimed Property Division, pursuant to ~~U.C.A 67-4a~~ the Revised Uniform Unclaimed Property Act, for unclaimed property valued at \$50 or more.
- t. Designate a separate individual as the Receivables Clerk.
- 5. **Receivables Clerk**
  - a. Receives, opens and date stamps all incoming mail.
  - b. Logs in all received checks and stamps for deposit only to the operating account.
  - e. ~~Chief Executive Officer~~
  - (i) ~~Is the Board appointed Chief Administrative Officer.~~

- ~~(ii) — Is the Board appointed Purchasing Agent.~~
- ~~(iii) — Is the Board appointed Deputy Treasurer.~~
- ~~(iv) — Reviews and approves all financial reports including cash flow projections.~~
- ~~(v) — Sees that an appropriate budget is developed annually.~~
- ~~(vi) — Reviews and approves all expenditures.~~
- ~~(vii) — Approves inter-account bank transfers.~~
- ~~(viii) — Monitors and reviews monthly bank reconciliations.~~
- ~~(ix) — Makes bank deposits.~~
- ~~(x) — Reviews and approves all contracts and presents them to the Board of Directors for ratification.~~
- ~~(xi) — Adheres to the responsibilities outlined in the UCIP Investment Policy.~~
- ~~(xii) — Oversees the adherence to all internal controls.~~

**d. — Chief Financial Officer**

- ~~(i) — Is the Board appointed Budget Officer.~~
- ~~(ii) — Is the Board appointed Clerk.~~
- ~~(iii) — Is the Board appointed Records Officer.~~
- ~~(iv) — Assists Chief Executive Officer with the development of annual budget.~~
- ~~(v) — Reviews all incoming invoices and prepares all outgoing invoices.~~
- ~~(vi) — Monitors and manages all expenses to ensure most effective use of assets.~~
- ~~(vii) — Reviews and approves all reimbursements requests.~~
- ~~(viii) — Oversees expense allocations including credit card transactions.~~
- ~~(ix) — Reconciles credit card transactions for completeness and accuracy with receipts and reports any misuses to the Board of Directors.~~
- ~~(x) — Adheres to the responsibilities outlined in the UCIP Investment Policy.~~
- ~~(xi) — Monitors and makes recommendations for asset retirement and replacement.~~

~~(xii) — Reviews, revises, and maintains internal accounting controls and procedures.~~

~~e. — Operations Specialist~~

~~(i) — Enters all claim expenditures into the accounting system.~~

~~(ii) — Maintains all W-9 IRS Taxpayer Identification Number and Certification forms to verify all payees.~~

~~6. — Chart of Accounts and General Ledger~~

~~1. — UCIP has adopted the uniform chart of accounts for local governments developed by the Utah State Auditor to collect financial information that can be analyzed and compared across entities. UCIP's chart of accounts is specific to its operational needs and the needs of its financial statements. UCIP reports as a single enterprise fund. Under this method of accounting, revenues are recognized when they are earned and expenses are recognized when they are incurred. The Chief Financial Officer is responsible for maintaining the chart of accounts and revising as necessary.~~

~~2. — The general ledger is automated and maintained using UCIP's accounting system. All input and balancing is the responsibility of the Chief Financial Officer with final approval by the Chief Executive Officer.~~

~~3. — The Chief Executive Officer reviews the general ledger on a periodic basis for any unusual transactions.~~

~~C. — Cash Receipts~~

~~1. — Cash receipts generally arise from member contributions, subrogation, salvage, training registrations and partner sponsorships.~~

~~2. — The principal steps in the cash receipts process are:~~

~~a. — The Operations Specialist receives incoming mail, opens, date stamps, and distributes the mail.~~

~~b. — The Operations Specialist enters all checks into a log and stamps all checks "for deposit only."~~

~~c. — The Operations Specialist matches the checks to the invoices and scans a copy of the checks.~~

~~d. — The Operations Specialist delivers the checks to the Chief Executive Officer with a copy of the check to the Chief Financial Officer.~~

- e. ~~In a timely manner, the Chief Financial Officer enters the receivable into the accounting system and generates a deposit slip for the Chief Executive Officer to print. A scanned image of the check(s) is electronically attached to the deposit in the accounting system.~~
- f. ~~The Chief Executive Officer prints the deposit slip and verifies that the amount of the check and the amount listed on the deposit slip match. Once the amounts are verified, the Chief Executive Officer takes the deposit to UCIP's financial institution and returns the deposit receipt and deposit slip detail to the Chief Financial Officer to attach to the check copy(ies).~~
- g. ~~All cash received will be counted, verified, and signed off by the Chief Financial Officer and another available staff member. The cash will immediately be posted using the appropriate allocation. A receipt will be given to the paying party and a copy kept for internal purposes. The cash will be kept in a locked, secure location and deposited, ideally within 24 business hours.~~

~~D. Inter Account Bank Transfers~~

~~The Chief Financial Officer monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The Chief Financial Officer recommends to the Chief Executive Officer when a transfer should be made to maximize the potential for earning interest. The Chief Financial Officer is directed by the Chief Executive Officer when to make a transfer and in what amount. A copy of the transfer is given to the Chief Executive Officer to sign and the Secretary/Treasurer of the Board to ratify.~~

~~E. Cash Disbursements and Expense Allocations~~

- 1. ~~Cash disbursements are generally made for:~~
  - a. ~~Payments to vendors for goods and services.~~
  - b. ~~Payments to attorneys for defense of claims or gross proceeds.~~
  - c. ~~Payments to claimants or members.~~
  - d. ~~License fees and dues.~~
  - e. ~~Staff training and development.~~
  - f. ~~Memberships and subscriptions.~~
  - g. ~~Risk Management training for members.~~
  - h. ~~Employee reimbursements.~~

- ~~i. Board mileage.~~
  - ~~j. Marketing/promotional materials~~
- ~~2. Disbursements for claims are entered into UCIP's accounting system by the Operations Specialist. Disbursements for accounts payable are entered into UCIP's accounting system by the Chief Financial Officer. All disbursements are processed weekly via electronic ACH or bill pay through UCIP's financial institution by the Chief Financial Officer. A secondary approval for ACH disbursements are made by the Chief Executive Officer through the financial institution. Copies of all disbursements and supporting documentation/invoices are provided to the Chief Executive Officer to approve that the amounts entered and the supporting documentation/invoices match. All documentation is also provided to the Secretary-Treasurer of the Board to approve. All disbursements are provided to the Board to ratify.~~
- ~~3. Requests for cash disbursements are submitted to the Chief Financial Officer in the following ways:
  - ~~a. Original invoice.~~
  - ~~b. Claim documentation.~~
  - ~~c. Employee expense report or reimbursement request.~~
  - ~~d. Board mileage/expense reimbursement request.~~~~
- ~~4. Every employee and Board Member expense report or reimbursement request must be documented on the approved form with receipts attached. Employees follow the Reimbursement Policy approved by the Board for lodging, meals and incidentals, mileage and other expenditures.~~
- ~~5. The Chief Financial Officer reviews all requests for payment and:
  - ~~a. Verifies expenditure and amount.~~
  - ~~b. Approves for payment if in accordance with budget.~~
  - ~~c. Provides or verifies appropriate allocation information.~~
  - ~~d. Provides date of payment taking into account cash flow projections.~~
  - ~~e. Processes the reimbursement in accordance with the cash disbursements controls.~~
  - ~~f. Files all backup documentation in the appropriate file.~~~~

~~F. Credit Card Policy and Charges~~



- ~~1. All staff members who are authorized to use an organization credit card must sign the Credit Card Acceptance Agreement. It is the responsibility of the cardholder to sign the back of the issued card. The cardholder is responsible for the security of the card issued and the transactions made with the card. The cardholder will retain receipts for all transactions. In the absence of a receipt, a Missing Receipt Form must be completed and signed by the cardholder. The cardholder will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, regulations and the entities from which UCIP receives funds. Credit cards are to be used for authorized expenditures wherein it is impractical for an invoice to be submitted to the Chief Financial Officer.~~
- ~~2. The receipts for all credit card charges will be given to the Chief Financial Officer within two weeks of the purchase along with proper documentation. The Chief Financial Officer will verify all credit card charges with the monthly statements and will post the expenses to the proper uniform account and process the payment to the financial institution. The Chief Financial Officer will immediately report any misuses of the credit card(s) to the Audit Committee. The monthly statement and supporting documentation and receipts will be submitted to the Secretary-Treasurer of the Board for approval and presentation to the Board for ratification.~~

#### ~~G. Accruals~~

- ~~1. To ensure a timely close of the General Ledger, UCIP may book accrual entries. Some accruals will be made as recurring entries.~~
- ~~2. Accruals to consider:~~
  - ~~a. Monthly interest earned on investments.~~
  - ~~b. Recurring expenses, including employee vacation and sick leave accrual, prepaid expenses, depreciation, etc.~~

#### ~~H. Bank Account Reconciliations:~~

- ~~1. The bank statements are provided electronically from UCIP's financial institution to the Chief Financial Officer.~~
- ~~2. The Chief Financial Officer timely reconciles the bank statements as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared disbursements with the accounting record including amount, payee, and sequential check numbers.~~

- ~~3. The Chief Financial Officer will investigate any checks that are outstanding over six months.~~
- ~~4. The Chief Financial Officer will attach the completed bank reconciliation to the applicable bank statement, along with all documentation including the account transaction report and give it to the Chief Executive Officer to review, approve, date and sign.~~

~~I. Petty Cash~~

- ~~1. Petty cash is maintained by UCIP. The cash is to be used for miscellaneous or unexpected purchases and the same approval procedures apply as mentioned in the cash disbursement section.~~
  - ~~a. Petty cash will not exceed \$100 and is kept in a locked file at all times.~~
  - ~~b. The Chief Financial Officer oversees petty cash.~~
  - ~~c. Receipts for items purchased with petty cash are kept with the petty cash.~~
  - ~~d. An accounting of all allocations is kept with the petty cash.~~
  - ~~e. The Chief Financial Officer and the Chief Executive Officer together will periodically count the petty cash.~~
  - ~~f. No checks will be cashed by the petty cash fund.~~

~~J. Property and Equipment.~~

- ~~1. Property and equipment includes items such as:~~
  - ~~a. Office furniture and equipment.~~
  - ~~b. Computer hardware.~~
  - ~~c. Computer software.~~
  - ~~d. Land~~
- ~~2. All items which have a unit cost greater than \$5,000 will be capitalized. Items purchased with a value or cost less than \$5,000 will be expensed in the period purchased.~~
- ~~3. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method of accounting. Useful lives vary from three to five years. Depreciation is recorded quarterly.~~

- ~~4. Land is exempt from depreciation.~~
- ~~5. A Fixed Asset Log is maintained by the Operations Specialist including date of purchase, asset description, value and identification number. Annually, a physical inspection and inventory will be taken of all fixed assets.
  - ~~a. The Fixed Asset Log will be reviewed by the Chief Financial Officer and reconciled to the general ledger balances.~~~~
- ~~6. Disposition of Property
  - ~~a. Disposition of UCIP property items may be through the Public Surplus online auction. If property is unsuccessfully auctioned, items may be offered for sale to the counties of Utah and to the public through media methods.~~
  - ~~b. The value of property may be determined by using the estimated useful life of the item.~~
  - ~~c. Sales tax will not be included in the sale of property for exempt organizations.~~
  - ~~d. Sales tax will be included in the sale of property to the public.~~~~

~~K. Personnel Records~~

- ~~1. All personnel files include but are not limited to: job description for the position, a job application and/or résumé, offer of employment, authorization of payroll deductions, IRS form W-4, a signed acknowledgement of receipt of the Personnel Policy, an emergency contact form, warnings and/or disciplinary actions, termination data (where applicable), and other forms as deemed appropriate by the Chief Financial Officer.~~
- ~~2. All employees will fill out an I-9 form and submit the allowable forms of identification to the Chief Financial Officer. The completed I-9 forms will be kept in a secure location separate from the personnel files.~~
- ~~3. Any employee medical information and/or records will be kept in a secure location separate from the personnel files.~~
- ~~4. All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.~~

~~L. Payroll Processing~~

- ~~1. Timesheets are to be prepared by staff on the approved form and submitted on the 15<sup>th</sup> and the last day of the month.~~
- ~~2. Timesheets are to be kept on a daily basis and prepared electronically.~~

- ~~3. The Chief Financial Officer will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.~~
- ~~4. Payroll is processed electronically and deposited directly into each employee's personal account on the 15<sup>th</sup> and the last day of each month. If the 15<sup>th</sup> or the last day of the month falls on a weekend or holiday, payroll will be processed the Friday before the weekend or the day before the holiday.~~
- ~~5. Employees receive a verification stub when payroll is processed.~~
- ~~6. If the employee requests that his/her check be turned over to a third party, the request must be made in writing prior to distribution.~~
- ~~7. The Chief Executive Officer will review payroll expenditures and allocations monthly.~~
- ~~8. All federal and state payroll expenses and reports will be prepared and filed appropriately.~~
- ~~9. All W-2 statements are issued to employees prior to January 31<sup>st</sup> of the following year for the prior calendar year.~~

~~M. End of Month and Fiscal Year-End Close.~~

- ~~1. The Secretary/Treasurer of the Board will review and sign off on all month and year-end journal entries. They will be printed and filed for audit trail purposes.~~
- ~~2. At the end of each quarter and fiscal year end, the Chief Executive Officer will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, investments, retirements, accounts receivable and payable accounts match outstanding amounts due and owed.~~
- ~~3. The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.~~
- ~~4. Once the final quarterly and fiscal year-end financial statements are run, reviewed, and approved by the Chief Financial Officer and the Chief Executive Officer, no more entries or adjustments will be made into that month or year's ledgers.~~
- ~~5. All other appropriate government filings including those required by the state tax board and attorney general's office will be completed and filed with the appropriate agency.~~

~~N. Financial Reports~~

~~1. The Chief Financial Officer will prepare the quarterly and annual financial reports for distribution to the Board. The reports will include: balance sheet, statement of income and expenses and cash flow projection.~~

~~2. Quarterly and annual financial reports will be submitted to the Audit Committee and Board for review and approval.~~

~~O. Fiscal Policy Statements~~

~~1. All cash accounts owned by UCIP will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount.~~

~~2. Employee or public personal checks will not be cashed through the petty cash fund.~~

~~3. No salary advances will be made under any circumstances.~~

~~4. Travel cash advances must be pre-approved by the Chief Executive Officer.~~

~~5. Reimbursements will be paid upon complete expense reporting and approval using the official UCIP form.~~

~~6. The Chief Executive Officer, the Claims Manager, the Chief Financial Officer and three designated Board members are the signatories on UCIP's bank accounts.~~

~~7. Bank statements will be reconciled monthly.~~

~~8.1. Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.~~

~~9. Accounting and personnel records will be kept in locked file cabinets in the Chief Financial Officer's office and only the Chief Executive Officer will have access to the keys.~~

## SECTION H REVISION HISTORY

1. Adopted: August 17, 2017

2. Revised: February 15, 2018

3. Revised: August 22, 2018

4. Revised: February 21, 2019

5. Revised: June 18, 2020

## SECTION I APPENDICES

1. ~~There are no appendices to this policy~~Listing of elected, appointed and designated individuals to ensure proper separation of duties.

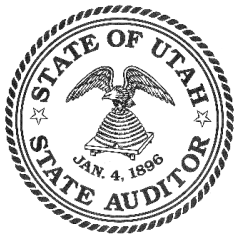
## **DIVISION OF FISCAL AND ACCOUNTING RESPONSIBILITIES**

Separation of duties is a specific internal control implemented to limit the risk of financial fraud. Each officer, appointee and designee must act independently when performing the duties and responsibilities of the Internal Accounting Controls Policy.

The governing body is responsible for electing a Treasurer and appointing a clerk who shall be two separate individuals. In order for separation of duties to properly function, additional individuals are appointed or designated.

### **Elected, appointed and designated individuals to ensure proper separation of duties:**

<u>Board Elected Treasurer</u>	<u>Karla Johnson, Kane County Clerk/Auditor</u>
<u>Board Appointed Audit Committee</u>	<u>Karla Johnson, <i>Chair</i>, Kane County Clerk/Auditor</u> <u>Alma Adams, Iron County Commissioner</u> <u>William Cox, Rich County Commissioner</u> <u>Mike Wilkins, Uintah County Clerk/Auditor</u>
<u>Treasurer Appointed Deputy Treasurer</u>	<u>Johnnie Miller, Chief Executive Officer</u> <u>Mike Wilkins, Uintah County Clerk/Auditor</u>
<u>Board Appointed Clerk</u>	<u>Sonya White, Chief Financial Officer</u>
<u>Receivables Clerk</u>	<u>Marty Stevens, Operations Specialist</u>



OFFICE OF THE  
STATE AUDITOR

# Questionnaire

Revised March 2020

## Fraud Risk Assessment

### INSTRUCTIONS:

- Reference the *Fraud Risk Assessment Implementation Guide* to determine which of the following recommended measures have been implemented.
- Indicate successful implementation by marking "Yes" on each of the questions below.
- Total the points of the questions marked "Yes" and put on the "Total Points Earned" line below.
- Using the points earned, circle the risk level on the "Risk Level" line below.

Total Points Earned: \_\_\_\_\_ Risk Level: 

Very Low	Low	Moderate	High	Very High
> 355	316-355	276-315	200-275	< 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	✓	200
2. Does the entity have written policies in the following areas:		
a. Conflict of interest?	✓	5
b. Procurement?	✓	5
c. Ethical behavior?	✓	5
d. Reporting fraud and abuse?	✓	5
e. Travel?	✓	5
f. Credit/Purchasing cards (where applicable)?	✓	5
g. Personal use of entity assets?	✓	5
h. IT and computer security?	✓	5
i. Cash receipting and deposits?	✓	5
3. Does the entity have a licensed or certified expert as part of its management team? (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO)		20
a. Do any members of the management team have at least a bachelor's degree in accounting?		10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	✓	20
5. Have all of the board members completed the State Auditor online training at least once in the last four years?	✓	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	✓	20
7. Does the entity have or promote a fraud hotline?	✓	20
8. Does the entity have a formal internal audit function?	✓	20
9. Does the entity have a formal audit committee?	✓	20

365

Certified By: \_\_\_\_\_ Certified By: \_\_\_\_\_

\* MC = Mitigating Control



# Basic Separation of Duties

See page 2 of this questionnaire for instructions and definitions.

	Yes	No	MC*	N/A
1. Does the entity have a board chair, clerk, and treasurer who are three separate people?	✓			
2. Are all the people who are able to receive cash or check payments different from all of the people who are able to make general ledger entries?	✓			
3. Are all the people who are able to collect cash or check payments different from all the people who are able to adjust customer accounts? If no customer accounts, check "N/A".	✓			
4. Are all the people who have access to blank checks different from those who are authorized signers?	✓			
5. Does someone other than the clerk and treasurer reconcile all bank accounts OR are original bank statements reviewed by a person other than the clerk to detect unauthorized disbursements?	✓			
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	✓			
7. Are original credit/purchase card statements received directly from the card company by someone other than the card holder? If no credit/purchase cards, check "N/A".	✓			
8. Does someone other than the credit/purchase card holder ensure that all card purchases are supported with receipts or other supporting documentation? If no credit/purchase cards, check "N/A".	✓			
9. Does someone who is not a subordinate of the credit/purchase card holder review all card purchases for appropriateness (including the chief administrative officer and board members if they have a card)? If no credit/purchase cards, check "N/A".	✓			
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	✓			
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".		✓		
12. Does someone review all payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	✓			

# UTAH COUNTIES INDEMNITY POOL PERSONAL USE OF PUBLIC PROPERTY POLICY

## SECTION A EFFECTIVE DATE AND FREQUENCY OF REVIEW

1. The effective date of this policy is June 21, 2019.
2. This policy should be reviewed annually, but not less than every three years by the Board.
3. This policy ~~will~~should also be reviewed any time that changes to laws or rules governing personal use of public property of interlocal agencies are amended or recommendations are made by the UCIP CEO or CFO, in a manner which would require review and update to this policy.
4. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
5. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

## SECTION B PURPOSE

1. This policy is meant to assure responsible use of Public Property and control excessive or unlawful use of Public Property by Public Servants.
2. This policy provides Public Servants guidance as to authorized personal use of Public Property to avoid unintentional violations of U.C.A. §76-8-402, §76-8-404 and §67-16-4(1)(c).

## SECTION C AUTHORITY

1. The Board has authority to implement this policy under the UCIP Interlocal Agreement and Bylaws.

## SECTION D APPLICABILITY AND SCOPE

1. This policy applies to all use of all Public Property as defined herein.
2. This policy supersedes and replaces all other UCIP policies related to the personal use of Public Property.

## SECTION E DEFINITIONS

1. Board: the Board of Directors of the Utah Counties Indemnity Pool.
2. CEO: the Chief Executive Officer of the Utah Counties Indemnity Pool.
3. CFO: the Chief Financial Officer of the Utah Counties Indemnity Pool.
4. De minimis: ~~means~~ a nominal value of less than \$100.00 but does not include value of damage to the Public Property when used by the Public Servant for personal use when the Public Servant timely reimburses UCIP for such damage.
5. Incidental: ~~has the meaning~~ defined in the Policy Statements Section of this policy. Any use identified as incidental under this policy which is not considered incidental under U.C.A. §76-8-402 or U.C.A. §67-16-4(1)(c) is an authorized use under this policy.
6. Members: ~~means~~ the members, individually or collectively, of UCIP as identified in its governing documents.
7. Pool: ~~means~~ the Utah Counties Indemnity Pool.
8. Public Property: ~~means~~ any real or personal property other than money, funds or accounts owned, leased or rented by UCIP, until such time as the property has been surplus, including when such property is provided to an independent contractor of UCIP for the purpose of providing a program or service for, or on behalf of, UCIP and/or its Members. "Public Property" does not include real or personal property owned, leased or rented by a Public Servant used in whole or in part by the Public Servant to perform their duties as a Public Servant, regardless of any reimbursement, allowance, stipend, per diem or payment made by UCIP in recognition of use of the Public Servant's property benefiting UCIP.
9. Public Servant: ~~means~~ all Directors, Officers, employees and independent contractors of UCIP.
10. UCIP: ~~means~~ the Utah Counties Indemnity Pool.

## SECTION F POLICY STATEMENTS

1. The Board means for this policy to constitute a "written policy of the public servant's entity" ~~for purposes of U.C.A. §76-8-402(1)(b)(iii)~~ related to use of Public Property.
2. The Board ~~intends~~ means to restrict unreasonable personal use of Public Property by Public Servants.

3. The Board ~~considers that the penalty under U.C.A. §76-8-402 of a felony for any level of unauthorized personal use of Public Property as extreme and therefore the Board means~~ intends to protect its Public Servants from unintentionally violating U.C.A. §76-8-402 and/or U.C.A. §67-16-4(1)(c).
4. The Board recognizes as an employer competing for competent employees in the marketplace, that it must consider, in part, property provided to employees by employers in the competing marketplace and the limitations that other employers place on personal use of such property.
5. The Board intendsmeans to broadly authorize all personal use of Public Property by Public Servants with a procedure to limit personal use only after providing written notice.
6. The Board specifically prohibits personal use of Public Property:
  - a. That substantially interferes with the use of the Public Property to perform duties of office, employment or service under contract, as determined by the Board of Directors;
  - b. For private financial gain which provides no benefit to UCIP; or
  - c. For an unlawful purpose.
7. Except for use specifically prohibited in Paragraph 6 of this Section of this Policy, the only personal use of Public Property considered to be unauthorized or prohibited is personal use which occurs after the Public Servant has received a written notice that the use is unauthorized or prohibited if the Public Servant does not appeal the written notice, or which occurs after the Public Servant receives a written decision from the Board of Directors finding that the personal use will be considered unauthorized or prohibited.
8. The Board intendsmeans to provide broad discretion to the CEO, CFO and members of the Board of Directors in authorizing personal use of Public Property by Public Servants under their supervision or control.
9. The Board recognizes that all incidental and de minimus personal use of Public Property by a Public Servant is authorized under U.C.A. §76-8-402 and further authorizes all incidental and de minimus personal use under this policy. The Board considers incidental personal use to include:
  - a. Use of Public Property for limited use of a personal nature when the individual is using the Public Property to perform their duties of office, employment or service under contract;
  - b. Use of Public Property of a personal nature when such use of the Public Property:
    - (i) Is available to the general public;

- (ii) Does not create more than a de minimis cost to UCIP;
  - (iii) Is provided or required to be provided to the Public Servant as an employee benefit or convenience, such as lunchroom and nursing room facilities;
  - (iv) Is not clearly prohibited by this policy, and the Public Servant timely reimburses the cost of the personal use to UCIP; or
  - (v) Is accidental or unintentional and the Public Servant timely reimburses the cost of the personal use to UCIP.
10. Employees do not have a right to nor should they have an expectation of privacy while using government resources at any time, including when they are accessing the internet, using computers, email, instant messaging or using telephones.
11. A Public Servant is authorized to allow use of Public Property of a personal nature which is not clearly prohibited by this policy.

## **SECTION G PROCEDURES AND RESPONSIBILITIES**

1. If a supervisor, CFO, CEO or Board of Directors believes that a Public Servant is using Public Property in a manner that is not incidental or should not be authorized, they shall give the Public Servant a written notice that specifically informs the Public Servant that the personal use is not considered incidental and will not be considered authorized as of the date of the written notice, or as of the date of a final written determination by the Board of an appeal of the written notice.
2. In determining if personal use should be authorized, a supervisor, CFO, CEO or Board of Directors shall consider whether the personal use of Public Property:
  - a. Substantially interferes with the use of the Public Property to perform duties of office, employment or service under contract;
  - b. Creates only a de minimis cost to UCIP;
  - c. Creates more than a de minimis cost to UCIP but provides a benefit to UCIP or its Members as determined by the Board;
  - d. Creates more than a de minimis cost to UCIP but the employee reimburses UCIP for the cost of the personal use of the Public Property at a rate determined by UCIP;
  - e. Provides the Public Servant with training and familiarity with the Public Property which will allow them to be more proficient with its use to perform their public duties;
  - f. Provides support of other agencies or community organizations which promotes good will between those agencies or community organizations and UCIP; or

- g. Provides any reasonably arguable benefit to UCIP.
- 3. A Public Servant may appeal a written notice provided under this Section to the Board of Directors if they believe their personal use of Public Property should be authorized by providing a written request for appeal of the written notice within five business days of receipt of the written notice. The Board shall hear either in writing or in person the person who issued the written notice and the Public Servant, and make a decision on whether the personal use of the Public Property will be authorized or prohibited. The Board of Directors shall inform the CEO and the Public Servant of their decision within 10 days of their decision.
- 4. The CFO shall notify a Public Servant of the cost to be reimbursed to UCIP for personal use of Public Property, which was not clearly prohibited by this policy, was accidental or unintentional or due to damage to Public property during personal use of the public Property by the Public Servant.
- 5. The Public Servant shall timely reimburse UCIP the amounts determined by the CFO under this section or contest the amount of the reimbursement to the CEO within five business days of notice from the CFO. The CEO shall within 5 business days of receipt of such notice to contest the amount of reimbursement provide the Public Servant and the CFO a decision regarding the amount of reimbursement.
- 6. If the Public Servant does not agree with the decision of the CEO of the amount of reimbursement for personal use of Public Property, the Public Servant shall request an appeal of the CEO's decision to the UCIP Board of Directors within 5 business days of receipt of the CEO's decision. The Board of Directors shall consider the requested appeal at their next scheduled meeting and provide the Public Servant their final decision on the amount of reimbursement within 10 business days of that meeting.
- 7. The CEO shall investigate any suspected violation of this policy and shall report any prohibited or unauthorized personal use of Public Property to the Board within 60 days of a determination of such violation.

## **SECTION H REVISION HISTORY**

- 1. Adopted: June 21, 2019
- 2. Revised: June 18, 2020

## **SECTION I APPENDICES**

- 1. There are no appendices to this Policy.

# UTAH COUNTIES INDEMNITY POOL RECORDS RETENTION POLICY

## SECTION A EFFECTIVE DATE AND FREQUENCY OF REVIEW

1. The Board originally adopted the Records Retention Policy on September 23, 2005.
2. This policy should be reviewed annually, but not less than every three years by the Board of Directors.
3. This policy ~~will~~should also be reviewed at any time that changes to laws or rules governing the scheduling of records of a Utah Interlocal Agency are amended or recommendations are made by the UCIP CEO or CFO, which would require review and update to this policy.
4. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
5. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

## SECTION B PURPOSE

1. The purpose of this policy is to assure compliance with all state laws and rules that document the existence of records, the length of time the records must be maintained, and their final disposition—either destruction or permanent transfer to the State Archives' custody.

## SECTION C AUTHORITY

1. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

## SECTION D APPLICABILITY AND SCOPE

1. The PRMA mandates state ownership of government records and requires their effective management and care.
2. The PRMA establishes the record keeping responsibilities of governmental entities.
3. This policy is applicable to all UCIP agency-specific records approved by the State Records Committee.

## SECTION E DEFINITIONS

1. Board: ~~means~~ the Board of Directors of the Utah Counties Indemnity Pool.
2. CAO: ~~means the~~ Chief Administrative Officer, a senior executive, designated by the Board to ensure that a sound records management program is implemented throughout the Pool.
3. CEO: the Chief Executive Officer of the Utah Counties Indemnity Pool.
4. CFO: the Chief Financial Officer of the Utah Counties Indemnity Pool.
5. Pool: ~~means~~ the Utah Counties Indemnity Pool.
6. PRMA: ~~means~~ the Public Records Management Act.
7. Record: ~~means~~ a book, letter, document, paper, map, plan, photograph, film, card, tape, recording, electronic data, or other documentary material regardless of physical form or characteristics that is prepared, owned, received, or retained by a governmental entity or political subdivision; and where all of the information in the original is reproducible by photocopy or other mechanical or electronic means.
8. Record Series: ~~means~~ a group of records that can be treated as a unit for purposes of designation, description, management, or disposition.
9. Schedule: ~~means~~ the process of specifying the length of time each record series should be retained by a governmental entity for administrative, legal, fiscal, or historical purposes and when each record series should be transferred to the state archive or destroyed.
10. UCIP: ~~means~~ the Utah Counties Indemnity Pool.

## SECTION F POLICY STATEMENTS

1. UCIP will comply with the Public Records Management Act.
2. UCIP will maintain an agency-specific record series approved by the State Records Committee.

## SECTION G PROCEDURES AND RESPONSIBILITIES

1. Government records cannot be disposed of or destroyed in contravention of a legally approved retention schedule.
2. UCIP's CAO submits proposed retention schedules of records for final approval to the State Records Committee.



3. UCIP's CAO reports the designation (primary classification) of each record series it maintains to the State Archives.

## **SECTION H REVISION HISTORY**

1. Original Adoption: September 23, 2005
2. Revised: February 16, 2006
3. Revised: April 18, 2006
4. Revised: June 21, 2019
5. Revised: June 18, 2020

## **SECTION I APPENDICES**

1. UCIP Agency Specific Records Retention Schedule.

## UTAH COUNTIES INDEMNITY POOL AGENCY SPECIFIC RECORDS RETENTION SCHEDULE

### **~~Series 26024—Claims Records~~**

~~All records associated with claims made against members and referred to UCIP. All closed claims, with no recorded activity, will be maintained in office for five years then transferred to State Records for 15 years. All closed claims with no recorded activity for 20 years may be destroyed.~~

### **~~Series 26026—Bylaws Coverage Addendum or Insurance Policies:~~**

~~Claims made coverage addendum and/or insurance policies will be maintained for 20 years following the expiration of any tail coverage or an extended reporting period and then may be destroyed.~~

### **~~Series 26121—Bylaws Coverage Addendums or Insurance Policies:~~**

~~All coverage addendums and/or insurance policies of an occurrence basis will be retained permanently.~~

### **~~Series 26027—Underwriting Records, UCIP Coverages:~~**

~~These records are to be maintained for five years following the close of an underwriting period and may be transferred to State Records for 10 years then destroyed.~~

### **~~Series 26028—Underwriting Records, Agency Placements for Members:~~**

~~These records are to be maintained for five years following the expiration date of the policy and then destroyed.~~

### **~~Series 26105—Board of Director Meeting Minutes and Recordings:~~**

~~These records are minutes of regular and special meeting of the UCIP Board of Directors. They are used to document the actions and decisions of the Board pursuant to their official duties. All related materials are attached to these minutes. Minutes, supporting materials and recordings will be maintained permanently and may be transferred to the State Archives.~~

### **~~Series 26122—Personnel Files:~~**

~~These records are retained permanently. Inactive personnel files are retained in office for five years following the employee's separation from UCIP and then transferred to State Archives.~~

### **~~Series 26123—Audit Records and Financial Records:~~**

~~All financial records will be retained permanently. Records will be maintained in office for five years, transferred to the State Records Center for 10 years, and then transferred to State Archives.~~

**SERIES: 26123**

**TITLE: Audit records and financial statements**

**DATES: 1992-**

**ARRANGEMENT: Chronologically by date.**

**DESCRIPTION: Audit records include all financial and claims audits performed by outside auditors. Financial statements include all in-house prepared quarterly financial statements of the financial affairs of the Utah Counties Indemnity Pool and an accounting of all income and expenditures in relationship to adopted budgets.**

**RETENTION: Permanent. Retain for 15 year(s).**

**DISPOSITION: Transfer to Archives.**

**RETENTION AND DISPOSITION AUTHORIZATION: Retention and disposition for this series is authorized by Archives general schedule Audit records, GRS-1727.**

**AUTHORIZED: 11/15/2019**

**FORMAT MANAGEMENT: Paper. Retain in office for 5 years and then transfer to State Records Center. Retain in State Records Center for 10 years and then transfer to State Archives with authority to weed.**

**Computer data files. Retain in office for 10 years and then transfer to State Archives with authority to weed.**

**APPRAISAL: Administrative Fiscal Historical.**

**These records have historical value because they provide evidence of significant policy formulation and business processes of the government.**

**PRIMARY DESIGNATION: Public.**

**SECONDARY DESIGNATION: Protected. Utah Code 63G-2-305(3).**

**SERIES: 26105**

**TITLE: Board of Directors meeting minutes and recordings**

**DATES: 1992-**

**ARRANGEMENT: Chronologically by date.**

**DESCRIPTION: These records are minutes of regular and special meeting of the UCIP Board of Directors. They are used to document the actions and decisions of the Board pursuant to their official duties. All related materials are attached to the minutes as the official record.**

**RETENTION: Permanent. Retain until administrative need ends.**

**DISPOSITION: Transfer to Archives.**

**RETENTION AND DISPOSITION AUTHORIZATION: Retention and disposition for this series is authorized by Archives general schedule Open meeting minutes & public materials, GRS-1709.**

**AUTHORIZED: 02/13/2006**

**FORMAT MANAGEMENT: Paper. Retain in office until administrative value has been met and then transfer to State Archives with authority to weed.**

**Computer data files. Retain in office until administrative value has been met and then transfer to State Archives with authority to weed.**

**APPRAISAL: Administrative Historical.**

**PRIMARY DESIGNATION: Public.**

**SECONDARY DESIGNATION: Protected. Utah Code 63G-2-305(32).**

**SERIES: 26024**

**TITLE: Claims records**

**DATES: 1992-**

**ARRANGEMENT: Alphabetically by county thereunder chronologically by date.**

**DESCRIPTION: Claims records are all records associated with claims made against members of UCIP and referred to UCIP.**

**RETENTION: Retain for 20 year(s).**

**DISPOSITION: Destroy.**

**RETENTION AND DISPOSITION AUTHORIZATION: Retention and disposition for this series were specifically approved by the State Records Committee.**

**APPROVED: 04/2006**

**FORMAT MANAGEMENT: Paper. Retain in office for 5 years after last recorded activity and then transfer to State Records Center. Retain in State Records Center for 15 years and then destroy.**

**Computer data files. Retain in office until administrative need ends and then delete.**

**APPRAISAL: Fiscal Legal.**

**PRIMARY DESIGNATION: Protected. Utah Code 63G-2-305(24).**

**SERIES: 26026**

**TITLE: Claims-made insurance policies**

**DATES: 1992-**

**ARRANGEMENT: Alphabetically by county thereunder chronologically by date.**

**DESCRIPTION: These records contain copies of claims-made excess, joint purchase and reinsurance insurance policies. These policies designate what is covered and what is excluded. A claims-made policy requires that the claim be presented to the insurance company during the policy period.**

**RETENTION: Retain for 15 year(s).**

**DISPOSITION: Destroy.**

**RETENTION AND DISPOSITION AUTHORIZATION: Retention and disposition for this series were specifically approved by the State Records Committee.**

**APPROVED: 04/2006**

**FORMAT MANAGEMENT: Paper. Retain in office for 15 years after expiration of any tail coverage and then destroy.**

**Computer data files. Retain in office until administrative value has been met and then transfer to State Archives with authority to weed.**

**APPRAISAL: Fiscal.**

**PRIMARY DESIGNATION: Protected. Utah Code 63G-2-305(24).**

**SERIES: 26029**

**TITLE: Loss prevention records**

**DATES: 1995-**

**ARRANGEMENT: Alphabetically by county thereunder chronologically by year.**

**DESCRIPTION: These records contain loss prevention inspections, information about training, recommendations to members, and information about any other activities related to loss prevention.**

**RETENTION: Retain for 12 year(s).**

**DISPOSITION: Destroy.**

**RETENTION AND DISPOSITION AUTHORIZATION: Retention and disposition for this series were specifically approved by the State Records Committee.**

**APPROVED: 04/2006**

**FORMAT MANAGEMENT: Paper. Retain in office for 5 years and then transfer to State Records Center. Retain in State Records Center for 7 years and then destroy.**

**Computer data files. Retain in office for 12 years and then delete.**

**APPRAISAL: Fiscal.**

**PRIMARY DESIGNATION: Protected. Utah Code 63G-2-305(24).**

**SERIES: 26121**

**TITLE: Occurrence-based insurance policies**

**DATES: 1992-**

**ARRANGEMENT: Alphabetically by county thereunder chronologically by date.**

**DESCRIPTION: These records contain copies of excess, joint purchase and reinsurance insurance policies. These insurance policies designate what is covered and what is excluded. Occurrence-based policies do not restrict the time frame in which claims can be made.**

**RETENTION: Permanent. Retain until administrative need ends.**

**DISPOSITION: Transfer to Archives.**

**RETENTION AND DISPOSITION AUTHORIZATION: Retention and disposition for this series were specifically approved by the State Records Committee.**

**APPROVED: 04/2006**

**FORMAT MANAGEMENT: Paper. Retain in office permanently.**

**APPRAISAL: Administrative.**

**Since occurrence-based policies do not restrict the time frame in which claims can be made the series is needed in the office permanently.**

**PRIMARY DESIGNATION: Protected. Utah Code 63G-2-305(24).**



**SERIES: 26122**

**TITLE: Personnel files**

**DATES: 1992-**

**ARRANGEMENT: Alphabetically by surname.**

**DESCRIPTION:** These records contain complete work history of an individual (excluding medical/psychological information) while employed by UCIP. The employee's personnel file shall be subject to the rules governing personnel files. The file typically includes applications for employment, employment eligibility certification records, Form 1-9 and other documents required by the U.S. Citizenship and Immigration Services, personnel actions, corrective action plans, notices of disciplinary action, new employee orientation information, performance plans and evaluations, letters of appreciation/commendation, separation and leave without pay records, employee benefits notification forms for PEHP and URS, training certifications, leave and time records, copies of any documents affecting the employee's conduct, status or salary, etc.

**RETENTION:** Retain for 65 year(s).

**DISPOSITION:** Destroy.

**RETENTION AND DISPOSITION AUTHORIZATION:** Retention and disposition for this series is authorized by Archives general schedule Employment history records, GRS-1965.

**AUTHORIZED: 02/08/2006**

**FORMAT MANAGEMENT:** Paper. Retain in office for 65 years or until 3 years after death or retirement and then destroy.

Computer data files. Retain in office for 65 years or until 3 years after date of death and then delete.

**APPRAISAL:** Administrative Legal.

**PRIMARY DESIGNATION:** Private. UCA 63G-2-302 (1)(e) (2008).

**SECONDARY DESIGNATION:** Public. UCA 63G-2-301 (1)(b) (2008).

**SERIES: 26027**

**TITLE: Underwriting records**

**DATES: 1992-**

**ARRANGEMENT: Alphabetically by county and thereunder chronologically by date.**

**DESCRIPTION: Underwriting files contain financial data and information about member exposures such as values of buildings, automobiles and all other member property, complete lists of member expenditures. This information is used to market the annual excess/reinsurance policies and to establish the rating structure and rates for member's annual contributions.**

**RETENTION: Retain for 15 year(s).**

**DISPOSITION: Destroy.**

**RETENTION AND DISPOSITION AUTHORIZATION: Retention and disposition for this series were specifically approved by the State Records Committee.**

**APPROVED: 04/2006**

**FORMAT MANAGEMENT: Paper. Retain in office for 5 years after close of underwriting period and then transfer to State Records Center. Retain in State Records Center for 10 years and then destroy.**

**Computer data files. Retain in office until administrative value has been met and then delete.**

**APPRAISAL: Fiscal.**

**PRIMARY DESIGNATION: Protected. Utah Code 63G-2-305(24).**

**SECONDARY DESIGNATION: Public.**

**SERIES: 26028**

**TITLE: Underwriting records, agency placement for members**

**DATES: 1992-**

**ARRANGEMENT: Alphabetically by county thereunder chronological by date.**

**DESCRIPTION: These records pertain to property and liability exposures not covered under coverage addendums and/or reinsurance policies. Some examples are airport and aircraft liability, surety bonding, course of construction, third party events held in member owned facilities.**

**RETENTION: Retain for 5 year(s).**

**DISPOSITION: Destroy.**

**RETENTION AND DISPOSITION AUTHORIZATION: Retention and disposition for this series were specifically approved by the State Records Committee.**

**APPROVED: 04/2006**

**FORMAT MANAGEMENT: Paper. Retain in office for 5 years after expiration of policy and then destroy.**

**Computer data files. Retain in office until administrative value has been met and then delete.**

**APPRAISAL: Administrative Legal.**

**PRIMARY DESIGNATION: Protected. Utah Code 63G-2-305(24).**

**SECONDARY DESIGNATION: Public.**

# UTAH COUNTIES INDEMNITY POOL UNDERWRITING POLICY

## SECTION A EFFECTIVE DATE AND FREQUENCY OF REVIEW

1. The effective date of this policy is June 21, 2019.
2. This policy should be reviewed annually, but not less than every three years by the Board of Directors.
3. This policy should also be reviewed at any time that changes to laws or rules governing Liability Reserve Funds are amended or recommendations are made by the UCIP CEO or CFO, which would require review and update to this policy.
4. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
5. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

## SECTION B PURPOSE

1. The purpose of this policy is to establish the Board's policy regarding eligibility of membership, assessing risk associated with the operations of current and prospective Members, ~~and~~ the methods used to determine Member contributions to the Pool and provide stability of Member costs.

## SECTION C AUTHORITY

1. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

## SECTION D APPLICABILITY AND SCOPE

1. This policy is applicable to activities of staff related to determining membership eligibility, assessment of risk of current and potential Members and calculation of Member contributions to the Pool.

## SECTION E DEFINITIONS

1. Board: ~~means~~ the Board of Directors of the Utah Counties Indemnity Pool.
2. CEO: the Chief Executive Officer of the Utah Counties Indemnity Pool.
3. CFO: the Chief Financial Officer of the Utah Counties Indemnity Pool.

4. Pool: ~~means~~ the Utah Counties Indemnity Pool.
5. UCIP: ~~means~~ the Utah Counties Indemnity Pool.

## **SECTION F POLICY STATEMENTS**

1. Membership in the Pool is limited to Utah counties and county related entities that properly enter into the Interlocal Cooperation Agreement. The Interlocal Cooperation Agreement provides the Board discretion to approve or deny membership in the Pool.
2. The Board has a fiduciary responsibility to assure adequate contributions are charged based on the risk a Member or prospective Member presents to the Pool to protect the financial wellbeing of UCIP.
3. The Board recognizes the homogeneity of its membership and believes that the underwriting process should be as simplified as possible to address the need for adequate underwriting of Members and prospective Members, while limiting the amount of time and effort required of Members in providing UCIP with underwriting data.
4. To maintain stability of costs of contributions of individual Members, individual Member experience will not be utilized in determining contributions to the Pool. Individual Member experience is considered as part of the UCIP Dividend Policy.
5. The Board believes the cost of Pool Membership should be equitable, therefore all Members will be charged the same rate for similar exposures. No crediting or debiting of rates or contributions is allowed unless special circumstances require such action, which must be approved by action of the Board. This policy statement does not prohibit the development of different rates for Members with specific operations to account for varying risks Members present to the Pool.

## **SECTION G PROCEDURES AND RESPONSIBILITIES**

1. Staff shall develop, maintain and follow the procedures of an Underwriting Manual to assure adherence to this Policy.
2. The Board shall no later than August 31 of each year adopt rates for the prospective Pool fiscal year based on an actuarial rate study and the recommendation of staff.
3. Staff shall utilize the rates approved by the Board each year and apply the guidelines of the Underwriting Manual to calculate contribution estimates for each Member for the prospective Pool fiscal year, and provide such estimates to the Members no later than September 30 of each year. Staff shall provide the Board with final Member contribution calculations based on approved rates, Underwriting Manual guidelines and updated Member exposure information no later than December 31 of each year for the Board's final approval of Member contributions in compliance with the UCIP Interlocal Agreement.

## **SECTION H REVISION HISTORY**

1. Adopted: June 21, 2019

2. Revised: June 18, 2020

## **SECTION I APPENDICES**

1. UCIP Underwriting Manual

# **UTAH COUNTIES INDEMNITY POOL POWERS AND DUTIES OF OFFICERS POLICY**

## **SECTION A EFFECTIVE DATE AND FREQUENCY OF REVIEW**

1. The effective date of this policy is June 18, 2020.
2. This policy should be reviewed annually, but not less than every five years by the Board of Directors.
3. This policy should also be reviewed at any time that changes to laws or rules governing the duties of officers of an interlocal entity are amended or recommendations are made by the UCIP CEO or CFO, which would require review and update to this policy.
4. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
5. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

## **SECTION B PURPOSE**

1. The purpose of this policy is to establish the powers and duties of the principal officers of UCIP.

## **SECTION C AUTHORITY**

1. The Board has authority to adopt this policy under the UCIP Interlocal Agreement and Bylaws.

## **SECTION D APPLICABILITY AND SCOPE**

1. This policy is applicable to all principal officers of UCIP.

## **SECTION E DEFINITIONS**

1. Board: the Board of Directors of the Utah Counties Indemnity Pool.
2. CEO: the Chief Executive Officer of the Utah Counties Indemnity Pool.
3. CFO: the Chief Financial Officer of the Utah Counties Indemnity Pool.
4. Pool: the Utah Counties Indemnity Pool.

5. President: The individual elected by the Board as the President of the Board.
6. Secretary/Treasurer: The individual elected by the Board as the Secretary/Treasurer of the Board.
7. UCIP: the Utah Counties Indemnity Pool.
8. Vice President: The individual elected by the Board as Vice President of the Board.

## **SECTION F POLICY STATEMENTS**

1. The principal offices of the Board shall be President, Vice President and Secretary/Treasurer.
2. The principal offices shall be held by three separate natural persons elected annually by and from among the Directors of the Board.

## **SECTION G PROCEDURES AND RESPONSIBILITIES**

1. **President**
  - a. Presides over meetings of the Board and Membership.
  - b. Signs required documents including approved minutes and affidavits.
  - c. Functions as Interim CEO if the CEO is unable to perform their duties for an extended period of time or the position becomes vacant, until the CEO returns to their duties or the Board appoints an Interim CEO or new CEO.
  - d. Performs such other duties as may be prescribed from time to time by the Board and the Membership.
2. **Vice President**
  - a. Exercises the powers of the President in the absence of the President.
  - b. Reviews and report to the Board on the Conflict of Interest statements of the Board, CEO and CFO.
3. **Secretary/Treasurer**
  - a. Exercises the powers of the President and Vice President in the absence of the President and Vice President.



- b. Assures minutes and recordings are taken of each meeting of the Board and Membership and present draft minutes to the Board for approval.
- c. Performs as custodian of all cash, bank accounts, credit card accounts, bond and securities.
- d. Performs the duties of the Treasurer outlined in the Internal Accounting Controls Policy.

## **SECTION H REVISION HISTORY**

- 1. Adopted: June 18, 2020

## **SECTION I APPENDICES**

- 1. There are no appendices to this policy

# **UTAH COUNTIES INDEMNITY POOL BUSINESS CONTINUITY/DISASTER RECOVERY POLICY**

## **SECTION A EFFECTIVE DATE AND FREQUENCY OF REVIEW**

1. The effective date of this policy is June 18, 2020. UCIP has historically utilized a Business Continuity Plan, a Disaster Recovery Plan and other plans to prepare for and deal with Events that would disrupt normal operations. This policy condenses those prior plans into one Policy for efficiency and continuity of procedures to be implemented in preparation for and at the time of a Disruptive Event.
2. This policy should be reviewed annually, but not less than every five years by the Board of Directors.
3. This policy should also be reviewed at any time that changes to laws or rules governing the appropriate disaster response or business continuity actions are amended or recommendations are made by the UCIP CEO or CFO, which would require review and update to this policy.
4. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
5. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

## **SECTION B PURPOSE**

1. The purpose of this policy is to identify actions to taken before, during and after a Disruptive Event in order to:
  - a. Ensure the safety of UCIP employees;
  - b. Continue to provide quality claims management and risk management services to the Members with as little disruption as possible;
  - c. Protect assets belonging to UCIP;
  - d. Protect security of data;
  - e. Reduce legal liability to UCIP;
  - f. Minimize potential economic loss to UCIP; and

- g. Provide an orderly and timely process for recovering critical operations that is in compliance with Federal, State and local regulations and guidelines.

## **SECTION C AUTHORITY**

1. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

## **SECTION D APPLICABILITY AND SCOPE**

1. This policy is applicable to all UCIP employees and operations.
2. The Board authorizes the Event Leader to make reasonable exceptions to standard procedures outlined in other Board Policies to effectively manage a Disruptive Event.

## **SECTION E DEFINITIONS**

1. Board: the Board of Directors of the Utah Counties Indemnity Pool.
2. CEO: the Chief Executive Officer of the Utah Counties Indemnity Pool.
3. CFO: the Chief Financial Officer of the Utah Counties Indemnity Pool.
4. Disruptive Event or Event: an event that would disrupt the normal operations of UCIP or would otherwise disrupt UCIP's ability to provide services to Members.
5. Event Leader: means the individual leading operations during a disruption from an Event based on the chain of command described in this Policy.
6. Pool: the Utah Counties Indemnity Pool.
7. UAC: the Utah Association of Counties.
8. UCIP: the Utah Counties Indemnity Pool.

## **SECTION F POLICY STATEMENTS**

1. The services provided by UCIP are essential to the protection of Member assets and operations, and are therefore considered essential to the public safety, health and welfare of the public.
2. It is imperative UCIP maintain and be prepared to implement a Business Continuity/Disaster Recovery Policy with the information and procedures that would be required to continue mission critical services at a minimum during any Event, and to restore, as quickly as possible, normal operations when an Event does disrupt the provision of service.

3. UCIP's business environment is heavily dependent upon communications, networking and other computer related technologies. UCIP's ability to maintain communications of some type between staff, Members, and certain key vendors/service providers is necessary to daily business activities and is a high priority of this Policy.
4. UCIP's communications requirements consist of telephone, data transmissions, e-mail, and internet access. UCIP's claims management data is managed and stored utilizing an internet accessible remote system which has its own Disaster Plan and redundant systems. UCIP's Website and Member exposure data is stored at a remote server with its own back-up and redundancy. UCIP's email is redundantly accessible at a remote location via the internet and is not dependent on the local server. UCIP's administrative, financial, governance and loss control data are stored on site at UCIP offices and are backed up daily on a redundant local system with the backup drive rotated out weekly and stored at a remote location.
5. A backup or secondary physical location for operations when the primary UCIP office location is not accessible is not necessary as all mission critical operations can be completed remotely from any location with internet access.
6. The Board recognizes that responding to and continuing operations during or after a Disruptive Event may require ignoring or straying from standard procedures outlined in other Board Policies.

## **SECTION G PROCEDURES AND RESPONSIBILITIES**

### **1. Pre-Disruption Event**

- a. The CEO and CFO should consider remote access capabilities when reviewing and updating all policies and procedures. Wherever possible, operational procedures, particularly mission critical procedures, should be designed to be accessible remotely.
- b. The CEO should assure staff have access to remote access equipment, programs and applications sufficient to conduct mission critical procedures remotely during an Event.
- c. The CEO should make recommendation regarding backup access to internet and telecommunication services if those services are interrupted at the UCIP office.
- d. The CEO and CFO should consider implementing backup manual processes and procedures for mission critical procedures that could be utilized in the event of failure of internet and telecommunication services.
- e. The CFO should assure the critical contact information attached as appendices to this Policy are maintained with up to date information and are readily accessible to appropriate staff.
- f. The CEO should assure staff receives regular training on this policy.

## 2. **During Disruption Event**

- a. The chain of command during an Event will be as follows:
  - (i) The CEO shall lead all operations during an Event.
  - (ii) If the CEO is unable to lead during an Event, the CFO shall lead.
  - (iii) If both the CEO and CFO are unable to lead during an Event, the Claims Manager shall lead.
  - (iv) If all management staff of UCIP are unable to lead during an Event, the Board Chair or his/her designee shall lead.
- b. The first priority is to assure the safety of staff and others, and that continued operations will not create unreasonable risk of injury.
- c. If the Disruptive Event requires reporting to public safety or health authorities, the Event Leader will assure such report is made as quickly as possible. If the Disruptive Event involves the UCIP offices, the Event Leader should report the Event to UAC, if they are unaware of the Event. The Event Leader will coordinate with UAC on repairs to UAC building or services.
- d. The Event Leader will contact all staff to review responsibilities and procedures during the disruption.
- e. The Event Leader will assess the extent of the disruption through contact with staff, service providers and Members.
- f. If the Event causes disruption of internet or other telecommunication services, the Event Leader shall as soon as practical assure staff has access to essential internet and telecommunication services.
- g. The Event Leader shall provide notice to Board of the Disruptive Event as soon as practicable, with an assessment of the disruption of service to Members, any modifications to normal procedures during the disruption which Members will need to take, and an estimate of when UCIP will resume normal operations. The Event Leader should provide regular updates depending on the length of the disruption.
- h. The Event Leader shall provide notice to Members of any change in procedures for claims reporting, claims processing, accounting, ongoing communications or training.
- i. The Event Leader shall as soon as practical assure staff has access to data on the UCIP server.

- j. The Event Leader shall coordinate reporting any injuries to staff to UCIP's workers compensation carrier.
- k. The Event Leader should coordinate responding to media and public requests for information.
- l. During the period of disruption, the Event Leader should consider preparations for resuming normal operations as quickly and efficiently as possible.
- 3. **Resuming Normal Operations**
  - a. Before moving to resume normal operations, the CEO should assure that doing so will not create unreasonable risk of injury or otherwise cause safety concerns for staff.
  - b. The CEO should provide advance notice to staff of plans to return to UCIP offices and/or normal work hours and operations.
  - c. The CEO should report to Board and Members on resumption of normal operations.
  - d. The CEO shall coordinate reporting of covered losses to property to UCIP and reinsurers if applicable.
  - e. Once normal operations have resumed, the CEO and CFO should review this Business Continuity/Disaster Recovery Policy in consideration of the efficiency of the Policy during the Event.

## **SECTION H REVISION HISTORY**

- 1. Adopted: June 18, 2020

## **SECTION I APPENDICES**

- 1. Board and staff contact listing.
- 2. Vendor/Service Provider contact listing.
- 3. Emergency contacts listing.
- 4. Checklists.

# UTAH COUNTIES INDEMNITY POOL

## Member Equity Calculation

County	2020		Total 1992-2020				Percentage Net Equity to 2020 Premium
	Premium		Premium	Equity	WC Deficit	Dividend Rcvd	Net Equity
Beaver	\$ 185,775		\$ 2,570,667	\$ 290,763	(\$ 50,930)	\$ 7,152	\$ 232,681
Box Elder	347,118		6,128,187	755,303	( 133,938)	4,561	616,804
Daggett	49,315		1,052,830	92,028	( 33,220)	500	58,308
Davis	903,757		13,601,410	1,516,958	( 305,179)	10,836	1,200,943
Duchesne	278,058		3,964,121	461,090	( 95,294)	2,616	363,180
Emery	200,093		5,152,061	683,955	( 127,706)	3,096	553,153
Garfield	143,642		2,601,531	298,878	( 49,426)	7,397	242,055
Iron	336,142		5,693,018	680,306	( 122,339)	5,303	552,664
Juab	152,605		3,029,948	354,974	( 87,900)	7,088	259,986
Kane	180,237		2,901,779	317,275	( 61,285)	2,534	253,456
Millard	272,938		4,459,641	477,447	( 113,026)	3,850	360,571
Morgan	72,912		1,104,218	72,117	( 39,796)	500	31,821
Piute	32,456		627,373	68,905	( 18,775)	1,392	48,738
Rich	41,535		1,158,944	133,361	( 35,596)	737	97,028
San Juan	223,682		4,743,986	530,139	( 121,603)	4,030	404,506
Sanpete	185,679		2,795,726	356,409	( 52,586)	1,868	301,955
Sevier	225,870		3,438,185	381,473	( 67,396)	2,892	311,185
Uintah	415,942		7,342,714	839,499	( 152,578)	11,127	675,794
Wasatch	301,576		5,503,311	589,872	( 154,015)	4,424	431,433
Washington	567,045		8,553,887	969,183	( 185,871)	6,812	776,500
Wayne	50,864		1,291,723	150,866	( 32,616)	1,613	116,637
Weber	1,247,785		14,501,784	1,301,110	( 372,087)	500	928,523
Total	\$6,415,026		\$102,217,043	\$11,321,917	( 2,413,158)	\$ 90,828	\$8,817,931
							137.5%

**Utah Retirement Systems**  
**Final Condensed Retirement Contribution Rate Guide**  
**Fiscal Year July 1, 2020 - June 30, 2021**

	Tier 1 DB System			Tier 1 Post Retired			Tier 2 - DB Hybrid System			Tier 2 - DC Plan		
	Contribution Reporting Fields			Post Retired Employment after 6/30/2010 - NO 401(k) Amortization of UAAL**	Post Retired Employment before 7/1/2010 Optional 401(k) Cap		Contribution Reporting Fields			Contribution Reporting Fields		
	Employee	Employer	TOTAL				Tier 2 Fund	Employee	Employer	401(k)	TOTAL	Tier 2 Fund
<b>Public Employees</b>												
<b>Contributory Retirement System</b>												
11- Local Government	6.00	14.46	20.46	8.37	12.09		111	0.00	17.56	0.89	18.45	211
12- State and School <sup>1</sup>	6.00	17.70	23.70	12.25	11.45							
17- Higher Education	6.00	17.70	23.70	12.25	11.45							
<b>Public Employees</b>												
<b>Noncontributory Retirement System</b>												
15- Local Government	-	18.47	18.47	6.61	11.86		111	0.00	15.80	0.89	16.69	211
16- State and School <sup>1</sup>	-	22.19	22.19 *	9.94	12.25		112	0.00	19.13	0.89	20.02	212
18- Higher Education	-	22.19	22.19 *	9.94	12.25		117	0.00	19.13	0.89	20.02	217
<b>Public Safety</b>												
<b>Contributory Retirement System</b>												
Division A												
23- Other Division A With 2.5% COLA	12.29	22.79	35.08	11.77	23.31		122	2.27	25.85	0.00	28.12	222
77- Other Division A With 4% COLA	12.29	24.37	36.66	12.93	23.73		122	2.27	27.01	0.00	29.28	222
Division B												
29- Other Division B With 2.5% COLA	10.50	22.81	33.31	9.77	23.54		122	2.27	23.85	0.00	26.12	222
74- Other Division B With 4% COLA	10.50	28.98	39.48	15.94	23.54		122	2.27	30.02	0.00	32.29	222
<b>Public Safety</b>												
<b>Noncontributory Retirement System</b>												
Division A												
42- State With 4% COLA	-	41.35	41.35	18.46	22.89		122	2.27	32.54	0.00	34.81	222
43- Other Division A With 2.5% COLA	-	34.04	34.04	11.75	22.29		122	2.27	25.83	0.00	28.10	222
75- Other Division A With 4% COLA	-	35.71	35.71	12.91	22.80		122	2.27	26.99	0.00	29.26	222
48- Bountiful With 2.5% COLA	-	50.38	50.38	26.89	23.49		122	2.27	40.97	0.00	43.24	222
Division B												
44- Salt Lake City With 2.5% COLA	-	46.71	46.71	24.20	22.51		122	2.27	38.28	0.00	40.55	222
45- Ogden With 2.5% COLA	-	48.72	48.72	26.30	22.42		122	2.27	40.38	0.00	42.65	222
46- Provo With 2.5% COLA	-	42.23	42.23	19.61	22.62		122	2.27	33.69	0.00	35.96	222
47- Logan With 2.5% COLA	-	41.97	41.97	19.37	22.60		122	2.27	33.45	0.00	35.72	222
49- Other Division B With 2.5% COLA	-	32.28	32.28	9.66	22.62		122	2.27	23.74	0.00	26.01	222
76- Other Division B With 4% COLA	-	38.97	38.97	15.94	23.03		122	2.27	30.02	0.00	32.29	222
<b>Firefighters' Retirement System</b>												
Division A												
31- Division A	15.05	4.61	19.66	-	19.66		132	2.27	14.08	0.00	16.35	232
Division B												
32- Division B	16.71	7.24	23.95	-	23.95		132	2.27	14.08	0.00	16.35	232
<b>Judges' Retirement System</b>												
37- Judges' Noncontributory	-	44.31	44.31									

\* Does not include the required 1.5% 401(k) contribution.  
 \*\*\* Unfunded Actuarial Accrued Liability  
 1 Public School Districts and Charter School rates are effective September 1, 2020 - August 31, 2021



## UTAH COUNTIES INDEMNITY POOL

	Prior Year Actual (2019)	Current Year Estimate (2020)	Preliminary Budget (2021)
<b>Revenue</b>			
Contributions	\$ 6,767,730	\$ 6,917,142	\$ 7,017,142
Investments	419,371	320,000	320,000
Other	11,172	10,000	10,000
<b>Total Income</b>	<b>7,198,273</b>	<b>7,247,142</b>	<b>7,347,142</b>
<b>Underwriting Expense</b>			
Losses and Loss Adjustments	2,168,034	3,500,000	3,500,000
Reinsurance	1,792,239	1,900,000	2,000,000
<b>Total Underwriting Expenses</b>	<b>3,960,273</b>	<b>5,400,000</b>	<b>5,500,000</b>
<b>Administration Expense</b>			
Directors	45,314	55,000	55,000
Depreciation	2,887	3,000	3,000
Risk Management	69,535	70,000	70,000
Public Relations	14,879	22,000	22,000
Office	87,903	100,000	100,000
Financial/Professional	93,478	100,000	100,000
Personnel	740,363	800,000	800,000
<b>Total Administrative Expenses</b>	<b>1,054,359</b>	<b>1,150,000</b>	<b>1,150,000</b>
<b>Total Operating Expense</b>	<b>5,014,632</b>	<b>6,550,000</b>	<b>6,650,000</b>
<b>Change in Net Position</b>	<b>\$ 2,183,641</b>	<b>\$ 697,142</b>	<b>\$ 697,142</b>

## UTAH COUNTIES INDEMNITY POOL

		Prior Year Actual (2019)
<b>Revenue</b>		
Contributions		\$ 6,767,730
Investments		419,371
Other		11,172
<b>Total Income</b>		<b>7,198,273</b>
<b>Underwriting Expense</b>		
Losses and Loss Adjustments		2,168,034
Reinsurance		1,792,239
<b>Total Underwriting Expenses</b>		<b>3,960,273</b>
<b>Administration Expense</b>		
<b>Directors</b>		<b>45,314</b>
Awards	1,216	
Meetings	13,548	
Milage	13,188	
Training	17,362	
<b>Depreciation</b>		<b>2,887</b>
<b>Risk Management</b>		<b>69,535</b>
Dues/Memberships	6,416	
Hotlines	11,441	
Online Training	28,750	
Training Sponsorships	3,275	
Travel to Members	5,156	
Workshops	14,497	
<b>Public Relations</b>		<b>14,879</b>
Advertising	6,939	
Exhibiting	4,159	
Sponsorships	3,781	
<b>Office</b>		<b>87,903</b>
Bank Charges	4,648	
Computers/Equipment	1,548	
Coverage	3,658	
Education/Travel	17,799	
Fees/Licenses	997	
Information Technology	13,392	
Office Supplies	5,331	
Postage	179	
Printing	5,129	
Repairs/Maintenance	35,222	
<b>Financial/Professional</b>		<b>93,478</b>
Actuary	16,000	
Appraisal	55,665	
Audit	19,073	
Legal	2,741	
<b>Personnel</b>		<b>740,363</b>
Group Insurance	86,578	
Liabilities	32,500	
Retirement	114,715	
Wages	505,890	
Workers Compensation	681	
<b>Total Administrative Expenses</b>		<b>1,054,359</b>